



MAYOR & COUNCIL MEMORANDUM

May 5, 2020

Subject: Discussion of the City Manager's FY 2020/21
Recommended Budget (City Wide)

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Time has been set aside for a discussion of the City Manager's Fiscal Year 2020/21 Recommended Budget.

Respectfully submitted,

Joyce K. Garland, CPA
Chief Financial Officer/
Assistant City Manager

RWR:YL:aaa

Attachments: Memorandum from City Manager Ortega dated May 5, 2020
Summary Schedule Fiscal Year 2021



MEMORANDUM

DATE: May 5, 2020

TO: Honorable Mayor Romero and
Council Members

FROM: Michael J. Ortega, P.E.
City Manager

SUBJECT: City Manager's Recommended FY 2020/2021 Budget

I am pleased to present to you the Fiscal Year 2020/2021 Recommended Budget for the City of Tucson. The budget, as presented, is balanced. Please note that it includes assumptions although it does include assumptions about use of Cash Carry Forward (CCF) or fund balance and reimbursement for certain expenses from the CARES Act associated with the COVID-19 virus. This memorandum provides a comprehensive overview of the budget, but please keep in mind, due to the unprecedented challenges presented by COVID-19 crisis, the process and approach we used to craft the budget reflects the uncertainty our economy faces for the foreseeable future.

As you may recall from the Jan 28 M&C retreat, we were projecting a significant fund balance at the end of this fiscal year and increases in new revenue for FY 20/21. Unfortunately, due to the virus, those projections are no longer accurate, and we are now facing a potential deficit for this current fiscal year (FY 19/20) and significant declines in most sales tax related revenues. Based on information from University of Arizona economists, it appears the negative impact could be even greater than what we faced during the Great Recession of 2009.

We have attempted to take a long-term approach in our projections, but again, these projections are based on very finite information since the full impact of the current crisis is not known and will not be known for months if not for years. The key to this next fiscal year will be strong communication at all levels of the organization and clear understanding of actual revenues against expenditures. It will be extremely important that we all have access to real time information regarding revenues and expenses as the year progresses.

Staff continues to work on perfecting a digital dashboard showing revenues and expenses and will have it ready to unveil shortly. The intent is to display this information on our website. It will give us all real time (daily) information that can guide financial decisions on the spot. As I mentioned in my previous discussions and presentations on the proposed budget, we will present a spending plan on a monthly basis to ensure you are kept up-to-date and will be given the opportunity to guide policy matters.

We have worked diligently over the past several years to evolve our organizational culture to one that provides employees the environment to be successful through flexibility and innovation. This flexibility and innovation will become as important as ever as we work our way through these uncertain financial times. Our efforts towards continuous improvement will continue and we will need to accelerate these efforts to ensure we take advantage of opportunities that arise

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from these challenging times. There is no doubt in my mind that we have assembled a strong team to get us through this pandemic and we will come out of it even stronger.

Our employee centric approach will also be tested in the coming year. Through your leadership, we have implemented many programs supporting employees including the Employee Retention Program that addressed salaries across the organization. Our employees remain our most important asset, and during these uncertain times, it will be important that decisions are made with this in mind as we navigate through the impacts this uncertainty has throughout the organization and community. To keep employees informed, I have established weekly virtual updates (town halls) where I give employees the latest information I know and then I provide them with an opportunity to ask questions. We will continue to hold these meetings for the foreseeable future. I have often said that it is imperative that we continue to invest in training for our employees. Generally, one of the first items to be reduced or cut when financial hardships are felt by an organization is travel and training. I have asked the directors to consider holding on to a portion of this important investment as we go forward to ensure staff stays current with the latest innovations. This knowledge is key to us keeping a long-term focus.

Another area that will see a deferment is our one-time capital expenses or projects. We have developed a Capital Improvement Program (CIP) for basic capital investment and reinvestment into areas where maintenance has been neglected due to previous budget constraints. Unfortunately, we again face financial challenges and the portion of this program funded from the General Fund will be reduced. We are exploring the impacts to the CIP as it relates to the Enterprise and Special Revenue Funds and attempting to keep construction projects on track to ensure we keep the construction industry moving through the next year. During the Mayor & Council January 28 retreat, we had expected to hire a separate CIP coordinator. The intent is to proceed with this effort, although it will be a temporary reassignment for an existing employee not an additional full-time equivalent.

This memorandum is broken into six sections: FY 19/20 Overview, FY 20/21 Budget Approach, General Fund, Special Revenue, Enterprise Funds, and Beyond FY 20/21. Please keep in mind this memo is intended to provide you with an overview of the various programs and initiatives included in the FY 20/21 budget and give thoughts on how we anticipate COVID-19 fiscal impact will affect our ability to deliver services.

I. FY 19/20 Overview

We had seen an upward trend in Business Privilege Tax, our major revenue source, with retail and restaurant growth exceeding projections and one-time construction sales taxes playing a major role in the revenue increase through March 2020. Now with COVID-19, we will see a significant decrease in revenues and are revising our projections downward. As you will see from the table on the next page, we are projecting a possible use of fund balance of \$24.1 million if projections hold.

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The following table provides summary information on the FY 19/20 Unrestricted General Fund projections based on third quarter results with a comparison to the adopted budget. Included in the table is the amount assigned for the use of CFF and the amount projected to be spent. You can refer to Attachment A for a more detailed spreadsheet of what makes up this summary table. Attachment A was previously shared with you as a part of the April 14 agenda materials.

Fiscal Year 2019/20 (\$ millions)				
Description	Adopted Budget	Projected	Variance	% Change
Revenues	\$558.4	\$516.7	(\$41.7)	-7.5%
Expenditures	(558.4)	(540.8)	17.6	-3.2%
Difference	-0-	(\$24.1)	(\$24.1)	--
Use of Cash Carryforward	-	-	(\$24.1)	

FY 19/20 Revenues

The Unrestricted General Fund Adopted Budget revenues were estimated to be \$558.4 million. The projected revenues based on third quarter results are \$516.7 million; a decrease of \$41.7 million or a 7.5% decline from the Adopted Budget. As we outlined during the April 14 budget presentation, we ran three scenarios for revenue decreases through the end of the fiscal year to give us an idea of the magnitude of the impacts. Based on what we see today, we are expecting the 25% drop in revenue from now through June 30 is more likely than the lesser decreases. Keep in mind that is based on very preliminary and finite information over the past couple of weeks. These projections may change significantly once we receive our actual distributions. Listed below are the explanations for the major General Fund revenues:

- Business Privilege Taxes – The projected taxes are \$204.9 million; a \$23.3 million or 10% decrease from the adopted \$228.2 million. The sales tax categories where we expect to see the greatest decrease are retail, restaurant sales, and construction.
- Use Taxes - The projected taxes are \$12.0 million; a \$283 thousand or a 2% increase from the adopted \$11.8 million. Out-of-state vendors do not generally charge sales tax, so when a customer buys goods or consumes tangible personal property, a use tax is paid at the same rate as the City's sales tax. Use Tax, like sales tax, is dependent on local and national economic trends, so although we are projecting a slight increase, this source may see a decrease.
- Transient Occupancy Tax - The projected taxes are \$12.0 million; a \$1.2 million or 9% overall decrease from the adopted \$13.2 million. The decrease in this revenue can be attributed to the lack of travel and tourism during the pandemic.
- State-shared Taxes - The projected income for sales and auto lieu taxes is \$145.7 million; a \$6.9 million or 4.6% decrease from the adopted \$152.7 million.
- Ambulance fees - The projected revenues are \$10.7 million; a \$1.43 million or an 10.8% decrease from the adopted \$12.0 million. Transport volume has gone down quite a bit since last month. The trend of fewer transports is happening across the country, so it is

not unique to the City. People are avoiding going to the hospitals because they are concerned, they will be exposed to COVID-19.

- Licenses and Permits - The projected revenues are \$32.0 million; a \$600 thousand or 1.7% decrease from the adopted \$32.6 million. Because most businesses pay their license fees at the beginning of the year, we do not expect this line item to decrease significantly this fiscal year. In addition, building permit activity remains strong even during the pandemic.
- Sale of Property - The adopted budget did not assume any sale of real property during the fiscal year. However, the City-owned property at 114/124 E Broadway sold in February 2020 for \$1.5 million.

FY 19/20 Expenditures

Ongoing expenditures exclude those costs covered by CCF. The Unrestricted General Fund Adopted Budget recurring expenditures including transfers to other funds, is \$558.4 million. Normally we would project the annual expenditures through the end of the fiscal year based on third quarter results. Although the third quarter results were included in the analysis, the projections indicate a reduction in spending and a hiring freeze in most functional areas. We are projecting to save approximately \$11.9 million through the end of the fiscal year because of vacancy savings and the hiring freeze. Based on both of those actions, we expect the actual expenditures to be approximately \$540.8 million, a decrease of approximately \$17.6 million. Attachment A outlines the total amounts we expect to expend through the end of FY 19/20. Although the decrease amounts to approximately 3.2% it is important to note the reductions are higher in some functional areas since some expenditures mainly covering pensions and debt service cannot be reduced.

II. Fiscal Year 20/21 Budget Approach

The approach to crafting the FY 20/21 Recommended Budget is very different from what we used in previous years. Because of the COVID-19 pandemic, the department directors presented on their budgets to the entire Executive Leadership Team (ELT) and other key staff. The resulting discussions identified successes and challenges the departments are facing and allowed ELT to collaborate on ways to address these challenges. Ultimately, this effort will lead to an exhaustive analysis over the course of FY 20/21, and beyond, to ensure resource allocation alignment with our strategic goals.

Employee Compensation

We have been implementing the Employee Retention Plan for the past four years and have made progress across all functional areas and most positions. Due to the pandemic, there is no plan to fund employee compensation increases during FY 20/21. Depending on revenue performance during FY 21/22, we may revisit employee compensation.

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Health Self-Insurance Trust

On March 5, 2019 the ordinance amending the Tucson City Code for the purpose of establishing a Self-Insurance Trust Fund and Board of Trustees was approved. Under the self-insurance model the City retains full control of all funding decisions and plan design options including selection of the healthcare network and all investment decisions. CIGNA will remain the City's service provider and third-party administrator for claims. Mayor and Council also approved funding the employee's portion of a 7.6% health increase in FY 20/21.

The medical increase amount citywide is \$3.4 million from the adopted budget of \$48.5 million to \$51.9 million for FY 20/21. The General Fund FY 20/21 amount will be \$37.0 million, an increase of \$2.5 million from the FY 19/20 amount of \$34.5 million. The Health Insurance Trust Fund is an Internal Service fund much like the Self-Insurance Risk Management Fund. The revenues recorded in the fund mainly come from employee, employer and retiree payments, along with pharmacy rebates. The budget includes capacity for medical claims payments, stop loss premiums, Cigna administration fees, funding the reserve account, staff salaries and the City's new enrollment system. For FY 20/21, the Recommended Expenditure Budget for the fund is \$77.4 million.

Use of One-Time Funding Sources

The COVID-19 virus has caused the economy to decline in just a few months. As a result of the unprecedented quickness of the corresponding decrease in ongoing transaction related taxes, we do not have time to react other than drastic cuts in expenses, or the use of one-time sources to buy us time for a recovery or to make more systemic cuts to expenses. A few of the opportunities we have explored are as follows:

Fund Balance/Reserves

As of June 30, 2019, we currently have the following fund balances in the various funds:

General Fund	\$123,371,163 (\$66.2 m available)
Highway User Revenue Fund (HURF)	\$15,592,245 (\$15.6 m available)
Environmental Services Fund (ES)	\$42,119,879 (\$42.1 m available)
Water Fund	\$159,910,806 (\$63.5 m available)
Park Tucson Fund	\$1, 982,530 (\$1.9 m available)

Although a lot of emphasis will be placed on the General Fund, it is important to note we are expecting decreases in revenue in other funds and it may necessitate the use of some reserves in those funds.

The General Fund has approximately \$66.2 million available in reserve that can be used during these difficult times. I would not recommend using all these reserves now but would be comfortable using a portion. Hence, I recommend you consider using no more than \$53.5 million between now and June 30, 2021. This will leave approximately \$12.7 million as fund balance for future challenges.

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Interfund Transfer/Loan

Another opportunity is the potential of interfund transfers/loans. Although each of the funds shown above have some capacity for an interfund transfer to other funds (General Fund), I am not recommending you consider interfund transfers from either HURF or ES because they are not as financially solid as the Water Fund. There is currently approximately \$63.5 million available for an interfund transfer from Water. In addition, as you may recall, the Water Fund had been moving to a pay-as-you-go model to fund capital improvements by reducing the amount of debt issued annually. The current plan was to fund the department's Capital Improvement Program (CIP) by using \$10.1 million of existing cash and financing \$34 million for the CIP. One option is to finance more of the CIP freeing up cash to add to a possible interfund transfer. We will continue to explore this option through our financial advisors and report to you later in May.

Certificates of Participation (COP) Refinancing

As you may recall, we have approximately \$171 million in outstanding COP's that were issued for acquisition, construction or improvements of various projects including Streetcars, Plaza Centro and Pennington Garage improvements, fire apparatus, Central Energy Plant, ball field lighting, Crime Lab construction, technology upgrades and Reid Park Zoo improvements, among others. An option exists to refinance some of these COPs to give us relief on principal payments for a year or two and refinance them over a longer period. This may be a good strategy given the low market interest rates. We estimate this could equate to a one-time savings of approximately \$17.8 million. We will continue to explore this option with our financial advisors and develop possible recommendations for your consideration in the future.

Line of Credit

The City of Tucson has not traditionally used a line of credit for operations, but it may be of value to consider it during the fiscal year for cash flow purposes. We are exploring terms that could be available and will present them to you for consideration in the future.

Federal Funding/Coronavirus Aid Relief and Economic Stimulus Act (CARES Act) – Reimbursement

We have received over \$100 million in allocated funding to assist our community and to some level our organization with the negative financial impacts of the COVID-19 virus. Although this is good news, it does have its drawbacks in terms of the restrictions that have been placed on it by the federal government. For example, the guidance we received specifically excludes revenue replacement and is explicit that the funding must be used to address negative impacts of the virus and costs not otherwise budgeted. This would not be a problem if the revenue held, but since the "budgeted expenses" are a function of revenue and revenues are expected to be dramatically reduced, we have no way of capturing the losses in revenue and ultimately funding our basic community needs. Hence, we must find other ways to make up the lost revenue including one-time short-term funding sources and reducing expenses to be in line with those resources.

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The following is a list of the Federal Funding we have either received or been awarded to date:

Description	Amount
Coronavirus Relief Fund	\$95,634,512
FTA Section 5307 Formula Grant	\$44,285,722
Community Development Block Grant	\$3,295,930
Emergency Solutions Grants	\$1,667,776
Housing Opportunities FOR Persons with AIDS (HOPWA)	\$109,150
Bureau of Justice Assistance Grants	\$949,721
Total	\$145,942,811

Although the costs associated with COVID-19 are eligible, as I mentioned above, they must be unbudgeted. To that end, we are tracking all pandemic costs and ensuring we can demonstrate those increases. We are also working to create a functional area within the City Manager's Office called COVID-19 Response Unit. It will encapsulate the various functions we are having to create as a result of the pandemic and will include the COVID-19 Emergency Operations Team, Call Center, Shelter Disinfecting Team, Logistics Team, Small Business Navigator Team, Utility Affordability Navigation Team, Landlord Outreach and Housing Search Team as well as other areas specifically associated with the COVID-19 impacts and increases in costs. Please note this will be a new expense in both the FY 19/20 and FY 20/21 operating budgets.

III. Unrestricted General Fund Overview

The following table provides a comparison of the FY 19/20 Unrestricted Adopted Budget, the FY 19/20 projections based on third quarter results and the FY 19/20 Recommended Budget.

Description	FY 19/20 Adopted Budget	FY 19/20 Projected	FY 20/21 Recommended
Revenues	\$558.4	\$516.7	\$527.5
Expenditures	(558.4)	(540.8)	569.2
Difference	-0-	(\$24.1)	-0-
Use of Fund Balance	\$0	(\$24.1)	(\$41.7)

Revenues

The General Fund Estimated Ongoing Revenues are \$527.5 million, a projected increase of \$10.8 million or 2.1% above the FY 19/20 yearend projections. Listed below are the explanations for major changes in our revenues:

- Business Privilege Taxes. The taxes are estimated at \$205.6; a \$633 thousand or 0.3% increase from the FY 19/20 yearend projected revenues of \$205.0 million. Based on the pandemic, we are projecting a flat 15% decrease in sales taxes through December 2020 with a slight increase of 2% per month from January through July 2021. We also expect to see additional sales taxes generated by on-line sales per the Wayfair ruling last year, however the increase will not make up for the loss in other retail, bar and restaurant sales.

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- State Shared Income Taxes. The estimated income taxes are \$79.3 million, a \$7.5 million or 10.4% increase from the FY 19/20 projected year end revenues. As you may recall, fifteen percent (15%) of the combined Individual Income and Corporate Tax Revenue base is shared with cities on a two-year lag basis (two years after the year the state collects the funds). This explains the projected increase even considering the expected downturn in income tax caused by the pandemic. FY 20/21's expected distribution is therefore based on the State's final tax collections in FY 18/19. We expect this revenue component to remain strong through FY 21/22 but will decrease in FY 22/23 to reflect current economic conditions.
- State shared sales taxes. The estimated sales taxes are \$52.7 million, a \$970.8 thousand or 1.9% increase from the FY 19/20 projected year end revenues. We do anticipate needing to adjust this projection downward as information is received from the State during the fiscal year.
- As allowed by the Arizona State Constitution, I am proposing to increase the Primary Property Tax to an amount not to exceed 2% greater than the maximum allowable levy from the preceding year plus new construction. As we have done in the past and per ARS 42-17102, I am also proposing to include in the Primary Property Tax levy the involuntary torts or claims paid in FY 18/19. The proposed tax rate is \$0.4883 per \$100 of assessed valuation, an increase of \$0.0328 due to the increase of the tort liability claims from \$300,140 to \$1,622,030. The total amount of Primary Property Taxes is projected to be \$18,188,920 of which \$16,566,890 would be General Fund revenue and \$1,622,030 (the tort liability assessment) would be deposited in the Self-Insurance Fund.
- Licenses and Permits - The estimated revenues are \$32.0 million. No change is projected to the FY 19/20 projected year end revenues. Building permit activity has remained strong during the pandemic, but we are expecting permit activity to slow as the impacts of the virus are felt in the homebuilding industry.
- Hotel/Motel Surcharge - The estimated revenues are \$7.0 million, which is a decrease of 5.7% from the FY 19/20 projected year end revenues. The projection assumes retaining the \$4 per room per night fee and a decrease in the number of room nights over FY 19/20. During the FY 19/20 budget discussions, Mayor and Council directed \$2 million of this revenue to be set aside to transfer to the Environmental Service Fund if needed to assist in covering the reduction in recycling revenue. The \$2 million is a one time transfer to ES from the general fund. If it is not needed for FY19/20 then it or a portion of the amount will be carried forward to FY 20/21.

Expenditures

As mentioned above, our approach to the operating budget this year is different than we have done in the past simply because of the uncertainty caused by the worldwide pandemic. The following is an outline and plan for what we expect during FY 20/21, but this information should not be seen as the final answer to these expenditures since the final decisions surrounding expenditures will occur on a monthly basis as a function of actual revenues. Through our efforts to develop a culture of innovation and creativity, I believe we have established the flexibility to adjust to actual revenues in a very short timeframe. Departments will provide a monthly

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spending plan to reduce expenses approximately 1% per month. This will not necessarily be linear, but that is the general thought at this point. The narratives included from departments in this communication gives a summary of general impacts to their respective department if what equates to a 15% reduction in expenses (1% per month from now through June 2021) is implemented.

The following are highlights in the General Fund expenditures.

General Government

In order to provide transparency and ease of auditing, the \$95.6 million received from the Coronavirus Relief Fund has been set up in its own Special Revenue fund **separate** from the General Fund. Budget capacity in the same amount is included in the Recommended Budget under General Government. We do know that we will spend some of these funds during FY 19/20 but since we do not have an estimate of that amount, the full amount was budgeted for FY 20/21. This is just capacity and as financial information is brought to Mayor and Council during the fiscal year, the budget capacity will be reduced depending on funds spent. This additional capacity can also be used in case General Fund revenues do come in greater than anticipated allowing for additional spending.

Economic Development

Economic development will continue to be an important focus area for our organization and community particularly the need for economic recovery caused by COVID-19. I expect this effort to include sustaining the increase in spending for small business navigators and targeted advocacy for minority owned businesses.

Visit Tucson \$5.1 Million

Per Arizona Revised Statute 9-500.06, the City must allocate one-third of Transient Occupancy Tax (TOT) collections exclusively for the promotion of tourism. The agreement with Visit Tucson provides for additional funding once the City's share of the TOT and half of the hotel/motel room surcharge revenues combined are greater than \$9.4 million. I plan to have an ongoing dialog with Visit Tucson about this funding formula going forward. Because of the decrease in tourism we are expecting a corresponding decrease in all tourism related revenues. Staff and I will work closely with Visit Tucson to ensure their marketing efforts continue, while also being mindful of the financial challenges we face.

Arts Foundation for Tucson and Southern Arizona (AFTSA) \$553,990

The Financial Participation Agreement (FPA) amount for AFTSA is \$350,000. Included in this agreement is a provision which provides AFTSA with additional funding. The formula is as follows: once the City's share of the TOT and half of the hotel/motel room surcharge revenues combined are greater than \$9.4 million, the City will share 10% of the combined increase with AFTSA paid in the following fiscal year. AFTSA sets aside 15% of the additional revenues for City public art maintenance. We are expecting a decrease in revenue as outlined above, but we have included for FY 20/21 \$552,990 for AFTSA, of which \$350,000 is the FPA amount and \$0203,990 is the additional funding. The actual amount of additional funding may change depending on FY 19/20 yearend results.

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Jail Board \$6.4 Million

Over the last few years, we had anticipated that Pre-Trial Services would reduce the City's jail costs by conducting release screenings prior to the booking of defendants. We have not seen any decreases to our costs so for FY 20/21 the budget was increased by \$1.5 million from \$4.9 million.

Pima Association of Governments (PAG) \$298,000

No changes to the funding of PAG are proposed as a part of the FY 20/21 budget. The total member contribution is \$298,000 with the funding split between the General Fund (\$98,420), the Water Utility Fund (\$99,000), and the Highway User Revenue Fund (\$100,580).

Community Outreach \$200,000

For now, no changes have been made to the \$200,000 to cover the costs of community outreach and to support community events not already in the budget. However, with all expenditures under analysis, this may be one area that will be reduced in the upcoming months.

Funding Support is Provided for Certain Civic Events

There are no funding changes proposed to Outside Agencies or certain civic events in the FY 20/21 Recommended Budget. As in years past, the amounts proposed are for Veterans Day Parade, \$8,000; Martin Luther King Jr. Walk, \$8,000; and Cesar Chavez Walk, \$8,000.

Animal Care \$4.8 Million

The City continues to be an active member of Pima Animal Care Center Partners (PACC). For FY 20/21, we budgeted \$4.8 million, the same amount as FY 19/20. Approximately \$0.9 million annually is collected from animal license fees and \$10,000 is collected from animal control fines which offset a portion of the City's cost.

Outside Agencies

We will approach the effort to fund outside agencies differently for FY 20/21. Specially, we have asked the outside agencies to revise their applications to include specific COVID-19 related expenses and how their organizations will assist the community to overcome the negative impacts of the pandemic. The Recommended FY19/20 Budget will include funding support for specific services provided by other agencies to be funded from CARES Act sources. Because we requested new applications and the process has been delayed, we are not prepared to make recommendations on funding for these organizations at this time. We will bring back recommendations when this information is available.

Department and Functional Areas within the General Fund

As mentioned above, department directors were asked to put together an analysis of what a 15% reduction in expenses would entail for their specific areas. The following is a summary by department. Please note the amounts listed are the same as those included in the FY 19/20 budget for planning purposes. In addition, without more data on actual revenues (amounts and timing for receiving those amounts), it is difficult to outline exactly what aspects of the 15% reduction strategies outlined below may be needed or viable to implement. It will become increasingly

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important over the next couple of months for the City of Tucson to receive certainty if some sort of federal or state revenue replacement will become available. As you will see below, without such revenue replacement the cuts to fundamental services to our community will be drastic.

Mayor and Council

General Fund \$3,702,890
Civic Contribution Funds \$35,260

In FY 19/20, an additional \$45,000 for the Mayor and each Ward office was added to their budget. This additional capacity could be a potential reduction to for FY 20/21.

City Clerk

General Fund \$2,911,690

Each of the functions within the City Clerk's office are mandated by Federal law, State law, Charter or Code provisions. By going to Vote by Mail elections and doing our own mailings we have been able to save one million dollars per election cycle. Most of the budget for the City Clerk's office is funded for employee salary and election expenditures. During the Great Recession staffing was reduced by nearly 50%. Using improvements in technology we maintained the ability to perform our essential functions. Further reductions would jeopardize our ability to perform these essential functions and could jeopardize the City's legal standing.

City Attorney

General Fund \$8,143,530
Federal and Non-Federal Grants \$266,060

The General Fund portion of the City Attorney's Office (CAO) budget is \$8,143,530. A 15% reduction in GF expenditures would amount to \$1,221,530. Worth noting is that for FY 19/20, the CAO is on track to "return" more than \$550,000 to the GF. I note this not for "kudos," but as an indication that perhaps we can manage a significant reduction – although nothing approaching \$1.2 million – through strategies other than a reduction in force (RIF). The described savings were achieved almost exclusively through vacancy savings, and mostly in the Criminal Division, where we experienced more turnover this year than in prior years.

That said, a \$1.2 million reduction for FY 20/21 could only be achieved through a combination of attrition, furloughs, and layoffs. I think the CAO may be able to save \$350,000 via attrition. I believe that furloughs (perhaps combined with a "work share" plan) could be a useful and strategic device to save money in our department and throughout the City, particularly if used sooner – while workloads are down and supplemental federal benefits are available to the impacted employees- rather than later. But I estimate that furloughs/work sharing, even if aggressively deployed in our department, would not generate savings in excess of \$200,000. That leaves us at trying to save in excess of \$650,000 through layoffs. I would expect that all our layoffs would occur in the Criminal Division. Because of the way layoffs work, probationary employees would go first. That would mean the loss of 2 Litigation Support Clerks, 2 Law Clerks, and 4 assistant prosecutors, representing a savings of just over \$600,000. Operational impacts would be significant. We would have to choose entire categories of case types that we would not prosecute. We could not fully staff the existing specialty court programs, including those that help keep people out of jail and I think we'll burn out our best employees.

Ideas to consider:

- Retirement incentive that does not involve a cash payout (e.g. health care subsidy over time)
- Re-task as many employees as possible to COVID response jobs eligible for federal funding: e.g. contact tracing, PPE procurement and logistics, food distribution, anything else
- Court consolidation (again) – though I don't think this can be done quickly

City Court

General Fund \$10,202,340

Other Federal and Grant Funds \$1,186,120

Many of the costs and revenues associated with running the courts are not within the court's control. These are affected by the Legislature and general societal forces. They are also influenced by the decisions of other justice system stakeholders. One example is jail costs. We are hopeful that new jail reduction initiatives this year have driven down jail costs. We are prepared to engage in conversations with stakeholders to reduce costs beyond those we are suggesting in this memorandum. We would ask that you convene such a meeting of justice partners that would also include the jail and perhaps representatives from the County Administrator's Office. To increase the chance of success, the limited goal of this group should be to identify a few changes in practice that could reduce savings and or increase revenues in the next year.

1. Freeze the 5 currently vacant staff positions

Annual savings FY 20/21	\$313,620
Vacancy Savings thru 6/30/2020	\$ 43,490
	<u>\$358,110</u>

2. One Magistrate will retire in August. Through the end of FY 20/21, we would not seek to fill this vacancy and would substitute lower cost special magistrates to cover this workload.

Partial Year Savings FY 20/21 \$80,263

3. Cover AOC equipment costs previously agreed to come from unrestricted general funds to restricted court case processing fee for the next year.

Annual Savings \$310,000

We are still studying what expenses could be cut over the next year, other than those we may find through engaging our justice system partners. In the meantime, we have made some cost reductions over the past few weeks, most recently to the security contract.

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Business Services Department (BSD)

Environmental Services Fund \$564,620
General Fund \$13,285,140
Transportation and Mobility \$1,329,200
Self-Insurance Fund \$11,595,910
Community Development Block Grant \$241,840
Public Housing AMP Fund \$562,640
HOME Investment Partnerships \$29,720
Miscellaneous Housing Grants \$52,470
Tucson Water Utility Fund \$804,790

The Business Services Department FY 20/21 General Fund proposed budget is \$13,285,140. A 15% reduction would be almost \$2 million. The BSD personnel costs are \$11,719,830 or 88% of the total budget. Reducing by all the current vacant positions (\$1.8 million) could potentially meet the 15% reduction; however, the loss of several of these positions would have a determinantal impact to the operational success of the Department. The alternative is to keep essential positions core to the finance and procurement functions and reduce positions in other identified areas.

Potential reduction plan:

1. Reduction of professional services	\$ 200,000
2. Identified vacant positions including an administrator	\$1,366,850
3. Identified non-critical operation positions which are currently filled	\$ 433,150
	<hr/>
	\$2,000,000

Environmental and General Services Department (EGSD)

General Fund: \$55,132,320

Recommended costs reductions include:

- Operating the department with the current and future vacancies which for the General Fund would equate to 30 positions for a savings of \$2.4 million
- 13 furlough days for all employees Grade 814 & Above to save \$175,000
- Transition from contracted services to self-performed facilities maintenance and custodial services saves \$500,000
- "Run to Failure" approach as it relates to facilities equipment to
 - \$100,000
- Implement a department wide logistical support center that would be responsible to manage and operate the department's assets and inventory
 - \$500,000
- Perform a macro-view facility inventory and utilization analysis to divest from underutilized assets
 - \$500,000
- Significant reduction in our fleet inventory coupled with the reduction of non-essential vehicle usage
 - \$50,000

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- Postpone the General Fund vehicle, refuse and equipment replacement programs
 - o \$2,000,000
- Suspend the Household Hazardous Waste program
 - o \$400,000
- Maximize the use of CDBG funds to address Vacant and Neglected Structures program and other community wide code enforcement efforts
 - o \$500,000
- Focus code enforcement efforts to only address life, safety and emergency cases
 - o \$400,000
- Move several positions supporting the special revenue funds from the general fund to the appropriate special revenue fund
 - o \$600,000

Housing and Community Development (HCD):

General Fund \$2,540.670

For FY 19/20 HCD General Fund budget is \$2,470,720. Of these funds, HCD is committed to \$1,575,770 in Human Service grants to nonprofits. The remaining funds are for administrative expenses that can be covered by other HCD funds. HCD can absorb a \$894,950 of prior General Fund costs reducing the total by 36%.

Human Resources (HR) Department

Environmental Services Fund \$195,900

General Fund \$4,627,410

Highway User Revenue Fund \$387,250

Self-Insurance Internal Service Fund \$7,398,170

Tucson Water Utility Fund \$405,950

The Human Resources Department (HRD) FY 20/21 General Fund proposed budget is \$4,627,410. A 15% reduction would be approximately \$694,111. The HRD personnel costs are \$4.2 million or 90% of the total budget. Reducing by three of the current vacant positions provides just over one-third of the targeted 15% reduction. There is no valid cut that can be made from the remaining 10% of the HRD's operating budget. As a result, the only recourse would be a combination of furloughs and layoffs, unless attrition provides other opportunities. Assuming the reduction identified below, the primary service level impacted would be the Classification and Compensation function. An attempt would be made to provide back up support from other areas and will be most difficult when recruitment picks up again and the need for compensation studies and reorganizations are required. Staff will continue to assess other functions for opportunity to better support this area.

Potential reduction plan:

- | | |
|---|-----------|
| 1. Elimination of three vacant positions (approximate cost) | \$249,347 |
| 2. Furlough days equivalent to: | \$300,000 |
| 3. Potential Layoffs | \$144,653 |
| | <hr/> |
| | \$694,000 |

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Information Technology (IT) Department

General Fund \$25,310,990

The Information Technology Department FY 20/21 General Fund proposed budget is \$25,310,990. A reduction of 15% will be \$3,796,648.50. Personnel cost is 44% of the total budget and the other 50% is for Software and Services.

The IT department is in a unique position where only 6% of our budget is discretionary. Our budget heavily supports the maintenance of hardware and software applications that are core for business operations. For this reason, it makes cutting costs challenging without crippling the services we provide to the internal departments and citizens. In order to achieve this, we would utilize vacancy savings in open positions, renegotiate with vendors to reduce software cost, cut our hardware maintenance cost impacting Avaya phone system, servers and network equipment, implement printing quotas, eliminate training, traveling and professional services.

Potential reduction plan:

1. Vacancy savings including two Administrators and a Deputy Director	\$1,443,300
2. Reduce cost with software vendors	\$ 588,137
3. Support maintenance including Phone System, Server and Network	\$ 710,176
4. Place a quota on city printing reducing printing 33%	\$ 128,774
5. Training and Travel	\$ 711,600
6. Professional Services	\$ 214,660
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	\$ 3,796,647

Parks and Recreation Department (P&R)

General Fund \$27,697,700

Civic Contribution Fund \$855,860

Development Fee Fund \$2,125,000

Non-Federal Grant Fund \$95,700

Other Federal Grants Fund \$468,910

The Parks and Recreation Department FY 20/21 proposed budget is \$37,263,700, with a capital budget of \$9,733,810, labor and services budget is \$27,529,890. A 15% reduction in labor and services would be approximately \$4,127,890. The department personnel costs are \$20,286,530 or 74% of the labor and services budget. Reducing by the current vacancy savings of \$2,342,130 would represent 57%, a major portion of the 15% budget reduction goal; however, that suggests programs that rely upon non-perm and seasonal staffing would be greatly reduced in the next fiscal year. Non-perm staffing reliant programs include Parks Maintenance, After School KIDCO, KIDCO Summer Camp programs, and lifeguard coverage at all pools.

Potential Budget Reduction Plan:

1. Identified vacancy savings in non-perm/seasonal staffing	\$2,342,130
\$1,068,470 Parks Maintenance Programs	
\$1,273,660 Recreation Programs	

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2. Reduction of commodities/program supplies	\$499,880
3. Reduction of services	\$1,284,480
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	\$4,127,890

Additional 1%/month budget reductions in non-perm & services beginning in May is \$20,269 per month. Estimated 1% reduction for FY20/21 overall, \$243,228.

Planning and Development Services Department (PDSD)

General Fund \$7,976,180

Federal and Non-Federal Grants \$32,000

PDSD's proposed reduction to the FY21 Operating Budget:

20% Reduction from 2020 operating budget to support General Fund:

\$1,100,960 = Professional Services, Object Line 219

\$393,244 = EnerGov Contract Employees – 2-year commitment from General Government

\$40,000 = Travel and Training

\$1,534,204

May 1% reduction:

\$75,000 = Vacancy Savings

June 1% reductions:

\$45,000 = Vacancy Savings

\$15,000 = Office Supplies

\$15,000 = Computer Software

FY21 Spending Plan

Assuming a 15% reduction for FY20/21, PDSD's starting FY20/21 budget would be \$6,385,642. A 1% monthly cut would be \$63,856,42 per month. The only way to obtain a sustained 1% reduction would be through the following cumulative measures:

- Reduction in department hours (32-hour week)
- Retirements 30% of the department is eligible for retirement
- Vacancy Savings (dependent on hiring freeze)
- Furloughs
- Layoffs

PDSD's FY20/21 approved budget is \$7,512,520. In addition to the Department's FY20/21 budget, Finance approved \$105,000 for travel/training and \$15,000 for uniforms. PDSD has halted all travel/training and uniform acquisition.

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In addition to the \$120,000 General Government funding allocated to PDSD, PDSD was authorized to hire six contract/temporary employees for FY20 to assist with the EnerGov Permitting project. The original direction was to hire non-perm City employees for the two year length of the project. However, PDSD was informed by Central HR that non-perms would not be able to work more than 32 hours/week and for no longer than a year. Given the temp limitations, PDSD sought and received authorization from the DCM/CFO to hire six contract employees. These employees were hired to back-fill current FTE's to allow staff time to work on the EnerGov project.

The EnerGov contract employees' estimated annual combined salaries total \$393,244. PDSD's FY20 budget for professional services, object line 219 is \$1,100,960. This total 219 object line does not include the funding proposed to support PDSD's EnerGov Permitting project.

Public Defender

General Fund \$3,150,380

Due to a 15% budget reduction, the Public Defender's Office will face cuts across the board including loss in personnel, professional development, and services/commodities. The office has a small budget and the budget reduction will dramatically affect our staffing level and our mission. Since most of our budget involves personnel costs, the loss would limit the amount of court appointments to this office due to mandates by the Arizona State Bar and case law. Since the right to counsel is a mandate of the Constitution, the overflow of representation of indigent clients would shift to outside contract attorneys at a greater unknown cost to the City. This reduction will severely limit client representation in the areas of DUI and specialty courts such as CMPS Court, Mental Health Court, DV Court and any collateral consequences including immigration ramifications. Additionally, our participation with outside agencies such as Pima County through the MacArthur Grant, Housing First Initiative, and the Jail Review Committee would all be impacted. Our involvement with San Miguel High School and University of Arizona Law School will also be affected. To adjust to the loss of funding, new approaches and methods would be implemented to reach the maximum number of indigent clients without compromising our ethical obligations and our clients' rights guaranteed by the United States and Arizona Constitutions.

Public Safety Communications Department (PSCD)

General Fund \$14,130,400

The Public Safety Communications Department (PSCD) proposed FY 20/21 budget is \$14,130,400. Budget reductions in the amount of fifteen percent (15%) equals \$2,119,560.

PSCD is newly formed and growing department in need of an increased budget to sustain operations and strategically position the department for future growth. A fifteen percent reduction of funds is significant and will adversely affect essential service level impact. The majority of PSCD's budget is allocated for payroll, hence a fifteen percent reduction can feasibly only be achieved through the reduction of personnel. PSCD does not anticipate a reduction of calls for service for Police, Fire and medical services, therefore, higher overtime utilization will be required to cover the vacancies; resulting in a higher cost to the City. Customer service,

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employee morale, and responder safety will suffer as call times will certainly increase. Historically, PSCD call holding times have been negatively publicized in the media.

As an alternative, savings can be achieved as the robust training program continues, and new personnel are released from training. As employees are released from training, overtime for the unit will be reduced. Training for each of the new employees requires an average of six (6) months. In FY 20/21, more employees will be released to work on their own, and less overtime will be utilized; creating a savings. While this savings will not likely equal fifteen percent, it will achieve savings without affecting critical City infrastructure, morale, responder safety, and service level impact.

As FY 19/20 ends, the PSCD is also currently carrying one (1) Administrator position vacancy and three (3) supervisor positions vacancies. These positions can remain vacant to create temporary vacancy savings and reevaluated for fulfillment in six months to ensure expenditures are reduced, and the current financial situation created by the pandemic has been alleviated.

Tucson Fire Department (TFD)

General Fund \$103,086,200
Civic Contributions \$48,470
Non-Federal Grants \$5,530
Other Federal Grants \$1,126,130

Tucson Fire's Adopted FY19/20 budget is \$102,580,010. Of that, the General Fund supplies \$101,136,290. The balance is found in grant funding, civic contributions, and the self-insurance fund. The department's personnel costs account for 93% of the total budget, or approximately \$94 million. The remaining funds (\$7.1 million) are used to support acquisition and maintenance of mission-critical equipment, and annual costs are incurred to maintain required electronic data reporting, computers, and office supplies. A 15% reduction of the general fund portion of the budget equates to \$15.2 million. In order to achieve this level of budget reduction, a reduction in programs and services along with a reduction of the total number of FTEs is unavoidable.

TFD has a Recruit Class in session with 35 recruit firefighter/EMTs graduating on June 5, 2020. We will still have 8 commissioned vacancies when they graduate. There are currently 7 civilian staff vacancies. Combined, these 15 vacancies amount to \$1.34 million. In addition, TFD was budgeted for 16 civilian FTEs in consideration of establishing a civilian EMS tier, but this has been placed on hold in deference of other considerations yielding a vacancy savings of approximately \$1.26 million. In addition, TFD is presently budgeted for a class of 20 recruits in FY21 at a level of \$850,000. There are 9 known retirements in the commissioned staff in FY21. Eliminating the next recruit class would provide a budget reduction but would severely inhibit progress to close the gap between vacancies and allotted headcount.

Overtime savings will be realized through a "maximum allowable number of personnel" on overtime each workday. To stay entirely within the allotted overtime budget, a maximum of 7 FTEs per day would be permitted. TFD's daily average of FTEs on overtime is 18, largely due to position vacancies, COT-afforded leaves, military deployments, and injury-related light duty. The only way to hold overtime to 7 FTEs per day, or eliminate overtime altogether, is to brown-out specific units and stations. TFD has a truck shut-down matrix to accomplish this objective. The anticipated potential savings is \$3.1 million.

Additional staff reassignments could occur by reducing the number of commissioned personnel serving as Inspectors in TFD's Prevention Division. While their reassignment would have a significant negative impact on revenue generation and collection through fees, they could be reassigned to field operations to help reduce vacancies and offset overtime. This, however, creates estimated lost revenue to COT that would be otherwise have been generated by these Inspectors at \$365,259. The ability to annually inspect state-licensed facilities and other critical infrastructure will also be severely curtailed.

Finally, TFD would close Fire Station 6, located at 10251 S Wilmot Road across from the prison complex and Fire Station 21 located at 8620 E Tanque Verde Road. The affected 24 FTEs (two Engine companies) would be reassigned within the Operations Bureau to offset vacancies and overtime with an approximate total savings of \$2.8 million. Response times to areas served by these stations in Wards 2, 4, and 5, will markedly rise.

Program Elimination

The only arguably non-mission essential programs maintained by TFD are our life safety education section (2 FTE civilian public educators) and the Tucson Collaborative Community Care Program ("TC-3"), to which 3 FTE commissioned personnel are assigned along with 1 civilian FTE. Eliminating the 3 civilian FTEs would save \$289,000 and the 3 commissioned FTEs would be reassigned to field operations to help offset vacancies. These steps will end the Safe Schools and TC-3 Programs, or at least end TFD's affiliation with these community risk reduction activities.

Total anticipated savings of all proposed cuts, reassignments, overtime controls and service/program reductions: \$6,928,690. This is accomplished with no layoffs of commissioned personnel, but with the loss of 3 current civilian FTEs. *The only way to reach the target reduction of \$15,170,443, a delta of \$8,241,753 from the above-specified reductions and savings, would be to lay off 80 commissioned firefighter FTEs (approx. fully loaded cost is \$103,000 per firefighter).* This figure would comprise our current recruit class of 35 plus the 45 least-senior firefighters in the department.

Summary of Reductions

• FY 20/21 Vacancy Savings (15 FTEs)	\$1,340,000
• FY 20/21 Vacant Civilian EMS Tier (16 FTEs)	\$1,260,000
• FY 20/21 Recruit Class eliminated (20 FTEs)	\$ 850,000
• Overtime controls (results in unit "brown-outs")	\$3,100,000
• Eliminate 3 civilian FTEs (Pub. Ed. & TC-3)	\$ 289,000
• Command Staff Realignment & Travel/Trg. Cut	\$ 89,690
• Eliminate 80 commissioned FTEs	<u>\$8,240,000</u>

TOTAL REDUCTIONS: **\$15,168,690**

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Tucson Police Department (TPD)

General Fund \$165,324,120
Civic Contributions Fund \$15,000
Non-Federal Grants Fund \$2,184,290
Other Federal Grants \$13,947,110

The COVID-19 pandemic has resulted in unprecedented reductions in sales tax and state shared revenue for the City of Tucson. This loss in revenue will require significant expense reductions by the Tucson Police Department (TPD). The fiscal year 2020 general fund budget for TPD is \$157,779,300 with 94%, or \$148,341,750, associated with personnel costs.

Methodology

The direction given to departments was that 2% vacancy savings (approximately \$3 million) will be deducted from FY'21 budgets. Additional projected vacancy savings above that amount has been included to this model. In addition, TPD is anticipating \$5.3 million in budget surplus at the end of FY'20. That surplus amount has also been applied to this model. Reductions to non-personnel line items are based on a review of FY'20 spending and will be managed monthly moving forward.

Loss and Expenditure Reduction Overview

A line item list of proposed reductions is included below.

• Fiscal year 2020 budget surplus	\$5,300,000
• Discontinue recruit hiring in FY'21 after the August class, savings in Unit 2350	\$2,000,000
• Anticipated FY'21 vacancy savings above the 2% turnover credit	\$3,500,000
• Probationary (not applied to staff in the basic academy) 10-hour/pay period furlough for FY'21 (91 trainees for portions of FY'21)	\$608,000
• Mandated overtime reduction by 30%	\$2,000,000
• Travel and Training Reduction by 50% (202/204)	\$326,570
• Miscellaneous Professional Services reduction by 50% (219)	\$657,405
• Minor Rehab, Repair, and Alteration by 50% (235)	\$35,170
• Furnishings, Equipment, and Tools reduction by 50% (345)	\$396,525
• Computer Equipment <\$5,000 by 50% (346)	\$28,410
• Maintenance Supplies for Machinery and Equipment by 50% (352)	\$239,795
• Phased elimination of Air Support	\$500,000

Total	\$15,591,875
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Plan Detail

Staffing levels across the police department have slowly recovered after the 2015-16 budget reductions. Reductions to current staffing levels would require significant reductions to our current service delivery. To prevent significant impact and provide immediate reduction in expenses, we will consolidation the two remaining basic classes scheduled for the remainder of calendar year 2020 (June and September) in favor of one class to be held in August. There are several benefits to this consolidation plan. First, this provides immediate financial relief to the FY'20 budget, as it pushes sworn hiring into the beginning of FY'21. Second, consolidation will give the police department a few additional months to process and hire quality candidates from

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current hiring lists. Perhaps most importantly, from a staffing perspective, consolidation flattens any future steep reductions in staffing numbers that would come as a result of a prolonged hiring freeze.

This model assumes the basic classes currently scheduled for January and May of calendar year 2021 will be cancelled. We are hopeful that as revenues begin to return to more normal levels in calendar year 2020 and financial projections improve, the police department will be able to hire recruits for those academies in small numbers, perhaps 15 students per class.

Probationary Sworn Staff Furloughs

Additional reductions can be made through the use of probationary sworn staff furloughs. The furloughs proposed in this model would apply to probationary sworn staff who are out of basic training at a rate of 10-hours per pay period during FY'21. This would apply to the 17 staff who will graduate from basic in June, the 24 staff who are currently in field training and the anticipated 50 recruits who will be hired for the August class.

Vacancy Savings and Budget Surplus

In FY'20, the police department is projecting a \$5.3 million budget surplus above the \$1.1 million turnover credit that was applied for the FY'20 budget year. This represents immediate savings for the current fiscal year.

With the restrictions in place on hiring, a reduced sworn hiring level in FY'21 and the potential of an increased attrition rate, it is conservative to estimate the police department's FY'21 vacancy savings will equal the savings realized in FY'20. This model includes a \$3.5 million vacancy savings above the 2% turnover credit which will be applied in FY'21. The police department is estimating the 2% turnover credit amount to be approximately \$3 million. If the hiring restrictions for professional staff extend for a significant portion of FY'21, police department vacancy savings will be greater than what is reflected in this model.

IV. Special Revenue Funds

Housing and Community Development (HCD):

Community Development Block Grant \$13,643,330
HOME Investment Partnerships \$9,211,010
Miscellaneous Housing Grants \$18,052,480
Non-Federal Grants Fund \$325,000
Non-Public Housing Assistance Assets Management \$3,019,070
Public Housing AMP Fund \$15,686,000
Public Housing Section 8 Fund \$42,755,810

Vacant Grant Funded Positions

HCD has a total of 19 positions, of which 16 may be available to be filled by COT employees from other departments. A few of these positions do require some specialized skills or knowledge but most could be filled with transferrable skills. Here is a summary of the vacancies available:

<u>Summary</u>	
	Housing Technician
1	Supervisor
1	Maintenance Technician
2	Project Coordinator
3	Housing Specialist I
3	Housing Specialist II
1	Rehab Coordinator
2	Custodian
	Housing Assistance
1	Supervisor
2	Homeless Navigators
16	Vacancies

Mass Transit

Mass Transit Fund \$108.5 million funded with a General Fund investment of \$37.7 million
Sun Link Fund \$6.1 million funded with a General Fund investment of \$3.1million
Self-Insurance Internal Service Fund \$1,420,000.

The following items are recommendations for cost reduction:

- Sun Tran:
 - Reduce current 15-minute service to 30-minute service on all Frequent Transit Network (FTN) routes
 - Discontinue all express routes not related to Raytheon express routes
 - Discontinue Sunday service on all Sun Tran routes
 - Reduce evening service on all routes from midnight to 9:00 p.m.
 - Start all routes one hour later in the morning
- Sun Link:
 - Reduce service to a Saturday schedule for the entire week
 - Begin service at 8:00 a.m. and end service at 8:00 p.m. daily
- Sun Van:
 - Discontinue all ADA Optional Area service

Highway User Revenue Fund (HURF)

Highway User Revenue Fund \$44,302,990
Street and Highway Bond and Interest Fund \$11,797,250

The following items are recommendations for FY 20/21 cost reductions:

- Freeze all vacancies
- Suspend or reduce the following services/programs:
 - Speed Hump Pilot Program

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- Sidewalk Pilot Program
- Brush & Bulky Plus
- Non-safety related right-of-way Maintenance (Streets, landscape, etc.)
- Traffic Signals Preventative Maintenance i.e. wiring, cabinet replacement, etc.
- Traffic Safety Programs
- Staff Reductions

Park Tucson

Park Tucson Fund \$6,386,830

The following are recommendations for cost reductions:

- Security staffing at garages and surface lots:
 - Continue to operate with the reduced contracted security staffing
 - Continue to staff many of the security shifts with Parking Services Agents
- Custodial maintenance of garages and surface lots:
 - Continue to operate with the currently reduced contracted service of 23% of full staffing into FY20/21
- Postpone planned improvements:
 - Parking Guidance Systems at Centro and Pennington Street Garages
 - Expanded License Plate Recognition (LPR) capacity for enforcement
 - Customer payment improvements in parking garages
 - Installation of security cameras at City-State Garage
 - Conference room computer and projection system
- Replacement of Duncan parking meters with IPS smart meters

Tucson Convention Center (TCC)

Tucson Convention Center Fund \$11,806,390

The TCC was one of the first city functions to be impacted by the pandemic. Major events such as Monster Jam and Cirque were one of the first to postpone with a total of 78 events lost this fiscal year. Since then, 8 have rescheduled for FY 20/21. Season events (i.e. Roadrunners, Sugar Skulls, Symphony, Opera) will start back up next season. Concerts have rescheduled and the TCC is also holding dates for Salpointe graduation and the Tucson Regional Ballet as rescheduled events.

Gene Reid Park Zoo

Gene Reid Park Zoo Improvement Fund \$17,333,840

The sales tax went into effect on February 1, 2018, and revenues collected are deposited in the Gene Reid Park Zoo Improvement Fund. Over \$23.0 million has been collected for Zoo operations and capital projects since inception. The estimated sales and use tax revenues for FY 19/20 are projected to be \$11.1 million; decreasing to \$10.2 million in FY 20/21. Currently the financial impact from Coronavirus (COVID-19) is unknown; however, the realization is that the sales and use tax revenue will decline effecting the amounts available for ongoing zoo operations and capital projects. The proposed FY 20/21 budget is \$17.3 million of which \$4.2 million is for

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operations and \$13.1 million is for capital improvements. Revisions to the budget will be made as financial information is received.

The City will also continue budgeting \$1.5 million in the EGSD and Parks and Recreation departments to support the Zoo in order to cover the costs of utilities, maintenance items, and project management. Remaining funds will be CCF to the following year.

Parks and Connections Bonds

Parks and Connections General Obligation Bonds \$31,539,400

On November 6, 2018, the voters approved Proposition 407, a \$225.0 million General Obligation bond package for capital improvements dedicated to City park amenities, connections for mobility, and greenways. The first issuance of the bonds will occur in June 2020. Mayor and Council approved an accelerated implementation and design plan where the General Fund will provide a cash loan in the amount of actual expenditures to fund early construction and design of specific Phase 1 projects. This loan will be repaid when the bonds are issued and the remaining bond proceeds will be used for continuation of Phase 1 capital projects.

Tucson Delivers, Safer Streets

Better Streets Improvement Fund \$38,981,500

Safer City Improvement Fund \$32,348,800

We continue to make significant progress since implementation of the Tucson Delivers Safer City Program. Public safety acquisitions and projects are progressing consistent with the voter approved plan. In the upcoming fiscal year, Police and Fire facility upgrades and new construction will continue along with the purchase of police vehicles and fire apparatus. Under the Tucson Delivers: Better Streets Improvement Program approximately \$39 million is budgeted for street construction.

V. Enterprise Funds

Environmental Services Department (ES)

Environmental Services Fund \$60,851,920

Environmental Services operates as an enterprise fund supporting the City's provision of refuse and recycling services to residents; landfill disposal services to internal City customers as well as to private haulers; and, commercial refuse, roll-off and recycling services to business and multi-family customers throughout the city. Recommended reductions to reduce costs include:

- Holding 35 positions, \$2.8 million
- Divert recyclables to the landfill and maximize the recycling of all compostable products in conjunction with the new composting facility at Los Reales Landfill saving \$3.0 million

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- Develop a community partnership in conjunction with the various Neighborhood Associations, Brush & Bulky Plus program to address portions of the Neighborhood Preservation Ordinance
- Significantly reducing our capital improvements \$3.0 million
- Finalize the proposed future land use at the old Congress & Nearmount Landfills in order to recover the investment of \$8.0 million
- \$8.0 million in revenue coming to the ES fund to the refuse truck and landfill equipment vehicle replacement program
- Utilization of our ES Fund Balance to fund the fleet and equipment replacement program \$3.0 million

Tucson Water Utility (TW)

Tucson Water Utility Fund \$299,456,330

Budgeting for the Water Department follows a strategic and integrated approach that links the operating and capital budgets with the five-year financial plan to meet ongoing regulatory requirements, infrastructure needs, Mayor and Council priorities, and affordability concerns. For FY-21, Mayor and Council approved a Notice of Intent to increase water rates on March 3, 2020; however, with the onset of the COVID-19 pandemic, all work was ceased on pending water rates adjustments. There will be no rate changes for FY-21. Staff has been tracking billings, receipts, delinquency rate, and cash balances on a daily basis to carefully monitor the utility's financial condition. The utility reduced capital spending by \$6 million in the current FY-20, instituted austerity measures on operations spending, and developed three levels of austerity measures for FY-21 to respond to possible decline in collections.

Tucson Water has updated the Five-Year Financial Plan with no rate adjustment in FY21 and to resume a discussion of 4% per year, thereafter. This will allow us to keep the FY-21 Operating Budget flat to FY-20, and staff has developed a spending plan to reduce operations spending by approximately \$12.5M and Capital spending by approximately \$15M -\$40M, depending on actual revenues during FY-21. The reductions in O&M spending should not result in reduced level of service for customers in the near-term and will be focused on: 1) 2% reduction in personnel costs due to hiring freeze / delays; 2) Reduction in travel and training; 3) Reductions in outside professional and/or consulting services; 4) One-year hiatus on the vehicle replacement program; and 5) Reductions in spending on IT needs (many devices recently upgraded during COVID-19 response), furniture and fixtures, tenant improvements, and related.

The City Manager's Office is working with the Water Department to decide how much debt to issue to finance the FY-21 Capital Improvement Program (CIP), ranging between \$21M and \$50.4M. The final debt decision will determine the cash funded portion of the CIP for FY-21 and may impact when the utility will reach the peak of annual debt service and achieve Pay As You Go for the CIP. Staff is prepared to take further austerity measures, focused on the FY-21 CIP, pending close tracking of actual revenues and collections. Tucson Water projects to be able to maintain the infrastructure reserve with interim use for TARP / AOP improvements, if necessary. The CIP budget will retain sufficient capacity for stimulus funding, which could reduce operational risk to the system, offset future debt, and/or reduce the impact of austerity measures.

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Tucson City Golf

Tucson Golf Enterprise Fund \$7,725,940

Tucson City Golf is projecting a positive net operating income, and therefore a reduction in the General Fund loan of approximately \$300,000. Projected FY 19/20 revenues are \$8,063,000, and expenses are projected to be \$7,763,000. Rounds are expected to increase for FY 19/20, projecting 218,788 rounds compared to 213,585 in FY18/19. El Rio and Fred Enke golf courses were overseeded this year and their rounds increased significantly. OB Sports continues to manage expenses while still maintaining course conditions and making improvements. Improving food and beverage revenue and non-golf revenue has been a focus the past year.

For FY 20/21, OB Sports is projecting a net operating income of \$734,300 and 218,850 rounds of golf. The long-term challenge continues to be deferred maintenance. Golf has been able to make repairs within the current operating budget but does not have reserves to handle major replacements of entire irrigation systems or significant infrastructure improvements to parking lots, cart paths, and restroom facilities.

VI. Beyond FY 19/20

Pensions

The City's unfunded liability in the PSPRS system increased \$74 million from \$955 million to \$1,029 billion, a trend that we anticipate will continue into the foreseeable future. We are making full contributions to PSPRS over a 29-year schedule to minimize our short-term funding requirements. Ultimately, the only relief will be from legislative changes and the time for implementation of any changes. Unlike the past few years, we will make the minimum contribution to both PSPRS and TSRS. In addition, we will not be making a large payment to PSPRS at the beginning of the fiscal year. We will also explore delaying payments to PSPRS until Jan 2021. We expect these measures will not reduce our long term unfunded liability like we planned, but it will be important to transition back to paying more than the minimum contribution and making the PSPRS payment at the start of fiscal year as early as FY 21/22 to ensure the unfunded liabilities continue to decrease.

IT

The COVID-19 virus pandemic and the corresponding movement to providing virtual city services caused us to move quickly to upgrade and expand our IT use throughout the City operations. We were in the midst of migrating to Outlook 365 when the pandemic struck, and we moved more rapidly to complete it than we would have otherwise. The use of TEAMS for city operations has also be launched and become an integral part of operations and communication within city government as well as the public. The recent upgrades to our backbone infrastructure allowed us to launch significant portion of our staff to work remotely during the pandemic.

We must however continue to modernize and optimize the technology staff uses to serve the community toward our goal of being a Smart City. We continue to have antiquated systems throughout the organization that need upgrading and replacement and we will work to make

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modest investments in our highest priority needs. We will have to continue to challenge ourselves to review technology utilization and system efficiencies to drive internal productivity and potentially identify funds (including Federal stimulus) that can be leveraged for further improvements. Our attention will be focused on the basic core assumptions behind our technology systems and processes that have evolved over many years. This will be a big effort and will affect all aspects of city government but is necessary to ensure the value of our IT services is maximized.

Facilities and Vehicles

Proposition 101 has given us much needed relief for public safety facilities, vehicles, and equipment, along with increased funding for road maintenance. Looking forward, we will need to continue to invest in our many other non-public safety needs throughout the organization. Given the impact on revenues from the pandemic, we will reduce investment in these areas at least into FY 21/22. We will however continue reviewing our light-duty size and utilization requirements to optimize our fleet. We will continue to implement energy-efficient solutions to ensure that aging facilities are operated more cost-effectively.

In Summary

The unconventional approach used to create this budget reflects the nature of the historic event we are currently living through. Although our struggles and circumstances are not unique, our approach will be absolutely tailored to the needs of our community. While revenue impacts still remain largely unknown, this budget reflects our need to act swiftly to reduce expenditures. We will not make all of the cuts suggested in this memo on July 1. Rather we will be making monthly spending plans and react appropriately based on real time financial data provided by our new digital dashboard. This will allow us to be flexible enough to accommodate the revenue fluctuations expected to occur throughout FY 20/21. Previous efforts to build a strong organizational culture and recruit and retain talent will serve us well as we rely on the ingenuity of our staff and their deep dedication to serving this community to navigate through our current challenges.

CITY OF TUCSON
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2021

Fiscal Year	S c h		FUNDS									
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Fiduciary Funds	Total All Funds	
2020	Adopted/Adjusted Budgeted Expenditures/Expenses*	E	1	526,529,520	330,393,700	45,881,680	98,524,770		365,767,080	97,218,580	92,087,100	1,556,402,430
2020	Actual Expenditures/Expenses**	E	2	519,800,340	319,769,530	45,881,680	64,086,700		341,516,800	96,213,180	92,327,110	1,479,595,340
2021	Fund Balance/Net Position at July 1***		3	93,711,370	236,082,430	309,400	141,655,700		259,744,550	51,211,520	845,789,610	1,628,504,580
2021	Primary Property Tax Levy	B	4	16,566,890						1,622,030		18,188,920
2021	Secondary Property Tax Levy	B	5			32,365,220						32,365,220
2021	Estimated Revenues Other than Property Taxes	C	6	517,192,860	292,583,910	9,664,290	104,212,190		335,739,420	92,539,800	108,529,560	1,460,462,030
2021	Other Financing Sources	D	7				35,000,000		34,000,000			69,000,000
2021	Other Financing (Uses)	D	8									-
2021	Interfund Transfers In	D	9		44,040,060	2,632,960	910,480					47,583,500
2021	Interfund Transfers (Out)	D	10	(44,326,130)	(3,257,370)							(47,583,500)
2021	Reduction for Amounts Not Available:		11									
LESS:	Amounts for Future Debt Retirement:					679,260						679,260
	Future Capital Projects				11,982,410		144,770,000		75,286,400			232,038,810
	Maintained Fund Balance For Financial Stability			22,836,510					15,000,000			37,836,510
2021	Total Financial Resources Available		12	560,308,480	557,466,620	44,292,610	137,008,370		539,197,570	145,373,350	954,319,170	2,937,966,170
2021	Budgeted Expenditures/Expenses	E	13	513,920,470	468,229,760	43,831,980	137,008,370		387,370,490	98,168,300	94,623,810	1,743,153,180

EXPENDITURE LIMITATION COMPARISON

1	Budgeted expenditures/expenses
2	Add/subtract: estimated net reconciling items
3	Budgeted expenditures/expenses adjusted for reconciling items
4	Less: estimated exclusions
5	Amount subject to the expenditure limitation
6	EEC expenditure limitation

2020	2021
\$ 1,556,402,430	\$ 1,743,153,180
1,556,402,430	1,743,153,180
619,545,660	809,259,530
936,856,770	933,893,650
\$ 1,011,946,304	\$ 1,036,599,817

* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

** Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

*** Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

CITY OF TUCSON
Tax Levy and Tax Rate Information
Fiscal Year 2021

	2020	2021
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ <u>16,296,200</u>	\$ <u>18,188,920</u>
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ <u> </u>	
3. Property tax levy amounts		
A. Primary property taxes	\$ <u>16,296,200</u>	\$ <u>18,188,920</u>
B. Secondary property taxes	<u>33,110,920</u>	<u>32,365,220</u>
C. Total property tax levy amounts	\$ <u>49,407,120</u>	\$ <u>50,554,140</u>
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ <u>14,985,330</u>	
(2) Prior years' levies	<u>319,130</u>	
(3) Total primary property taxes	\$ <u>15,304,460</u>	
B. Secondary property taxes		
(1) Current year's levy	\$ <u>32,562,680</u>	
(2) Prior years' levies	<u>500,000</u>	
(3) Total secondary property taxes	\$ <u>33,062,680</u>	
C. Total property taxes collected	\$ <u>48,367,140</u>	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	<u>0.4555</u>	<u>0.4883</u>
(2) Secondary property tax rate	<u>0.9255</u>	<u>0.8690</u>
(3) Total city/town tax rate	<u>1.3810</u>	<u>1.3573</u>
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>no</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

CITY OF TUCSON
Revenues Other Than Property Taxes
CITY OF TUCSON

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
GENERAL FUND			
Local taxes			
Business Privilege Tax	\$ 228,278,070	\$ 205,299,280	\$ 205,826,910
Public Utility Tax	27,251,110	23,230,530	22,657,990
Use Tax	11,886,850	12,193,500	12,771,520
Transient Occupancy Tax	13,216,040	11,950,220	12,264,850
Room Tax	7,882,920	7,105,480	7,044,600
Pawn Broker Second Hand Dealer	363,370	363,370	273,870
Property Taxes - Prior Years	319,130	319,130	250,000
Government Property Lease Excise Tax	20,910	20,910	20,910
State Shared Revenues			
State Shared Income Tax	\$ 70,973,790	\$ 71,812,670	\$ 79,297,910
State Shared Sales Tax	55,435,810	51,736,560	52,707,360
State Shared Auto Lieu Tax	26,295,610	22,206,460	22,643,480
Licenses and permits			
Utility Franchise Fees	\$ 15,248,910	\$ 14,966,580	13,404,500
Permits/Inspection Fees	7,548,500	7,040,990	9,100,000
Cable Television Licenses	3,229,950	3,229,950	3,542,080
License Application Fees	3,146,590	3,226,590	2,857,350
Animal License and Care Fees	1,100,000	939,000	910,370
Liquor License	1,024,720	975,640	921,000
Litter Assessment Fee	252,330	282,330	252,330
Alarm Permit Fee	230,000	183,480	220,000
Telecommunications Licenses and Franchise Fee	165,000	165,000	186,190
Dealer Trade Show License	96,830	96,830	87,000
Fire Permit and Inspection Fees	781,230	892,000	781,230
Miscellaneous Licenses and Permits	31,120	37,620	26,290
Charges for Services			
Administration Charges	\$ 13,386,030	\$ 13,386,030	\$ 13,386,030
City Attorney	18,000	29,000	25,000
Environmental and General Services	19,572,490	18,610,100	19,924,590
General Government	676,590	667,590	787,590
Parks and Recreation	2,762,610	1,919,750	2,704,720
Planning and Development Services	3,627,800	3,627,800	2,532,260
Public Defender	88,000	88,000	80,000
Tucson Fire	12,138,030	10,736,960	9,901,240
Tucson Police	5,305,000	1,831,970	962,660
Fines and forfeits			
City Attorney	\$ 250,000	\$ 300,000	300,000
City Court	6,797,000	5,438,850	5,538,500
Finance	21,490	21,490	17,270
Planning and Development Services	600		600
Tucson Fire	220	270	220
Tucson Police	1,543,100	1,407,670	1,834,900
Use of Money and Property			
Rentals and Leases	\$ 196,260	\$ 250,320	\$ 186,800
Interest Earnings	306,980	674,690	914,230
In-lieu Property Taxes			
Tucson Water Utility	\$ 2,013,720	\$ 2,013,720	\$ 2,000,150

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TUCSON
Revenues Other Than Property Taxes
CITY OF TUCSON

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
Other Agencies			
Dispatch Services	\$ 980,000	\$ 1,038,090	\$ 1,038,090
University of Arizona Fire Service	146,660	146,660	146,660
Law Enforcement Training	330,000	185,350	300,000
Non-Grant Contributions			
General Government	\$ 1,148,790	\$ 1,154,790	\$ 1,019,560
Parks and Recreation	38,800	45,080	40,000
Tucson Fire Department	1,400,000	1,400,000	1,580,000
Tucson Police Department	1,798,000	1,706,140	1,683,000
Miscellaneous			
Miscellaneous Revenues	639,640	1,088,020	747,640
Rebates Purchasing Card	1,150,000	1,150,000	1,150,000
Recovered Expenditures	342,310	2,140	343,410
Total General Fund	\$ 551,456,910	\$ 507,194,600	\$ 517,192,860

SPECIAL REVENUE FUNDS

Mass Transit Fund			
Passenger Revenue	\$ 10,863,990	\$ 10,863,990	\$ 10,863,990
Advertising Revenue	1,193,900	1,193,000	1,193,900
Regional Transportation Authority	9,468,330	10,978,200	10,869,330
Other Governmental Operating Assistance	6,273,290	6,658,750	6,734,040
Special Needs	1,226,000	1,226,000	1,226,000
Rents and Leases	504,000	504,000	504,000
Miscellaneous Revenue	694,510	806,690	749,290
Federal Transit Grants	15,697,290	13,222,500	26,527,860
Total Mass Transit Fund	\$ 45,921,310	\$ 45,453,130	\$ 58,668,410
Mass Transit Fund - Sun Link			
Passenger Revenue	\$ 1,032,630	\$ 894,420	\$ 1,036,400
Advertising	200,000	200,000	200,000
Regional Transportation Authority	1,200,000	1,200,000	1,200,000
Miscellaneous Revenue	19,770	15,000	16,000
Total Mass Transit Fund - Sun Link	\$ 2,452,400	\$ 2,309,420	\$ 2,452,400
Zoo Fund			
Business Privilege Tax	\$ 10,481,900	\$ 10,921,300	\$ 9,654,430
Use Tax	607,200	642,710	568,160
Total Zoo Improvement Fund	\$ 11,089,100	\$ 11,564,010	\$ 10,222,590
Better Streets Improvement Fund			
Business Privilege Tax	\$ 22,353,000	\$ 23,993,500	\$ 18,663,500
Use Tax	1,937,600	1,663,800	1,297,500
Total Better Streets Improvement Fund	\$ 24,290,600	\$ 25,657,300	\$ 19,961,000
Safer City Improvement Fund			
Business Privilege Tax	\$ 33,529,400	\$ 35,990,200	\$ 28,838,000
Use Tax	1,937,600	2,495,800	2,004,800
Total Safer City Improvement Fund	\$ 35,467,000	\$ 38,486,000	\$ 30,842,800
Tucson Convention Center Fund			
Room and Space Rental	\$ 1,722,180	\$ 1,722,180	\$ 1,786,600
Parking	978,380	978,380	932,580
Catering and Concessions	3,026,070	3,026,070	3,209,920
Novelty Sales	28,400	28,400	32,800
Facility User Fees	558,200	558,200	565,550
Event Ticket Rebates	326,740	326,740	341,130
Recovered Expenditures	1,445,740	1,445,740	1,725,020
Total Tucson Convention Center Fund	\$ 8,085,710	\$ 8,085,710	\$ 8,593,600

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TUCSON
Revenues Other Than Property Taxes
CITY OF TUCSON

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
Highway User Revenue Fund			
State Shared HURF	\$ 46,572,370	\$ 43,650,000	\$ 43,628,900
Permits and Inspection Fees	500,000	1,200,000	1,200,000
Temporary Work Zone Traffic Control	628,000	986,000	648,000
Other Charges for Service	25,000	80,110	25,000
Rents and Leases	130,000	151,600	150,000
Proceeds from Sale of Capital Assets	2,000,000	3,408,170	150,000
Interest Earnings	100,000	180,000	100,000
Recovered Expenditures	500,000	350,000	200,000
Miscellaneous Revenues	675,500	703,970	562,000
Grants Contributions	2,040,800	3,500,000	-0-
Total Highway User Revenue Fund	\$ 53,171,670	\$ 54,209,850	\$ 46,663,900
Park Tucson Fund			
Parking Meter Collections	\$ 2,040,000	\$ 1,896,800	\$ 1,812,000
Parking Revenues	3,538,820	3,540,000	3,872,200
Hooded Meter Fees	230,000	123,200	130,000
Interest Earnings	20,000	20,000	20,000
Assessment Fee	95,000	80,000	119,000
Parking Violations	665,000	705,000	711,000
Rents and Leases	110,180	110,180	110,180
Recovered Expenditures		5,140	
Total Park Tucson Fund	\$ 6,699,000	\$ 6,480,320	\$ 6,774,380
Civic Contribution Fund			
Mayor's Office	\$ 39,000	\$ 39,000	\$ 39,000
Parks and Recreation	1,044,850	1,044,850	1,773,700
Tucson Convention Center			
Tucson Fire	20,000	20,000	20,000
Tucson Police	950	950	15,000
Total Civic Contribution Fund	\$ 1,104,800	\$ 1,104,800	\$ 1,847,700
Community Development Block Grant Fund			
Community Development Block Grant	\$ 13,805,450	\$ 13,805,450	\$ 13,805,450
Program Income	81,380	81,380	95,000
Miscellaneous Revenues	52,000	52,000	-0-
Total Community Development Block Grant Fund	\$ 13,938,830	\$ 13,938,830	\$ 13,900,450
Miscellaneous Housing Grant Fund			
Federal Miscellaneous Housing Grants	\$ 4,257,260	\$ 4,257,260	\$ 17,534,950
Proceeds from Sale of Capital Assets	520,000	520,000	570,000
Total Miscellaneous Housing Grants Fund	4,777,260	4,777,260	18,104,950
Public Housing Section 8 Fund			
Federal Public Housing Section 8 Grant	\$ 41,871,000	\$ 41,871,000	\$ 42,704,810
Interest Earnings	20,000	20,000	30,000
Miscellaneous Revenues	12,000	12,000	21,000
Total Public Housing Section 8 Fund	\$ 41,903,000	\$ 41,903,000	\$ 42,755,810
HOME Investment Partnerships Program Fund			
HOME Funds	\$ 7,982,730	\$ 7,982,730	\$ 8,482,730
Program Income	708,000	708,000	758,000
Miscellaneous Revenues	16,000	16,000	-0-
Total HOME Investment Partnerships Program Fund	\$ 8,706,730	\$ 8,706,730	\$ 9,240,730
Other Federal Grants Fund			
City Attorney	\$ 89,740	\$ 89,740	\$ 96,830
City Court	1,316,020	600,650	1,186,120
Planning and Development	31,920	31,920	32,000
Parks and Recreation	464,450	464,450	468,910
Transportation and Mobility	6,530,960	1,873,520	2,831,840
Tucson Fire	1,088,180	1,088,180	1,126,130
Tucson Police	14,865,900	14,865,900	13,947,110
Total Other Federal Grants Fund	\$ 24,387,170	\$ 19,014,360	\$ 19,688,940

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TUCSON
Revenues Other Than Property Taxes
CITY OF TUCSON

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
Non-Federal Grants Fund			
City Attorney	\$ 158,860	\$ 158,860	\$ 169,230
Housing and Community Development	262,930	262,930	325,000
Parks and Recreation	95,700	95,700	95,700
Transportation and Mobility	0	0	86,500
Tucson Fire	5,530	5,530	5,530
Tucson Police	1,976,270	1,976,270	2,184,290
Total Non-Federal Grants Fund	\$ 2,499,290	\$ 2,499,290	\$ 2,866,250
Total Special Revenue Funds	\$ 284,493,870	\$ 284,190,010	\$ 292,583,910
DEBT SERVICE FUNDS			
Street and Highway Bond and Interest Fund			
State Shared - HURF	\$ 9,000,000	\$ 9,164,290	\$ 9,164,290
Total Street and Highway Bond and Interest Fund	\$ 9,000,000	\$ 9,164,290	\$ 9,164,290
General Obligation Bond and Interest Fund			
Secondary Property Taxes - Prior Years	\$ 600,000	\$ 500,000	\$ 500,000
Total General Obligation Bond and Interest Fund	\$ 600,000	\$ 500,000	\$ 500,000
Special Assessment Bond and Interest Fund			
Special Assessment Collections	\$	\$	\$
Interest Earnings	2,000	2,000	-0-
Miscellaneous Revenues			
Total Special Assessment Bond and Interest Fund	\$ 2,000	\$ 2,000	\$ 0
Total Debt Service Funds	\$ 9,602,000	\$ 9,666,290	\$ 9,664,290
CAPITAL PROJECTS FUNDS			
Capital Improvement Fund			
Intergovernmental Agreements	\$ 25,169,300	\$ 38,762,900	\$ 71,208,000
Total Capital Improvement Fund	\$ 25,169,300	\$ 38,762,900	\$ 71,208,000
Development Fee Fund			
Development Fees for Police	\$ 1,155,560	\$ 1,155,560	\$ 1,160,000
Development Fees for Fire	701,400	701,400	701,400
Development Fees for General Government	20,600	20,600	0
Development Fees for Transportation and Mobility	9,830,500	7,312,300	10,151,590
Development Fees for Parks	2,121,800	2,121,800	1,938,100
Total Development Fee Fund	\$ 13,829,860	\$ 11,311,660	\$ 13,951,090
Regional Transportation Authority Fund			
Regional Transportation Authority	\$ 45,575,000	\$ 16,803,200	\$ 19,053,100
Proceeds from Sale of Capital Assets	500,000	-0-	-0-
Rentals and Leases	48,000	190,000	-0-
Total Regional Transportation Authority Fund	\$ 46,123,000	\$ 16,993,200	\$ 19,053,100
Total Capital Projects Funds	\$ 85,122,160	\$ 67,067,760	\$ 104,212,190
ENTERPRISE FUNDS			
Tucson Water Utility			
Potable Water Sales	\$ 182,032,490	\$ 184,232,300	\$ 187,880,330
Reclaimed Water Sales	9,766,720	9,612,180	10,180,470
Central Arizona Project Surcharge	27,862,160	25,638,210	25,953,830
Water Conservation Fee	3,791,540	3,746,950	3,707,690
Fire Sprinkler Fee	3,083,140	3,083,140	3,814,950
Connection Fees	1,767,500	2,019,780	2,000,000
Service Charges	3,500,000	3,500,000	3,500,000
Development Plan Review/Inspection Fees	\$ 555,500	\$ 496,800	\$ 555,500
Billing Services	6,363,000	5,317,010	5,500,000
Miscellaneous Revenues	4,146,500	4,628,880	3,498,330
Tucson Airport Remediation Project	1,069,730	1,793,330	1,069,730
Water System Equity Fees	2,300,000	2,300,000	2,300,000
Green storm water Infrastructure			3,211,360
CAP Resource Fee	350,000	361,150	350,000
Grants and Contributions	865,000	865,000	865,000
Investment Income	107,500	1,311,150	1,000,000
Total Tucson Water Utility	\$ 247,560,780	\$ 248,905,880	\$ 255,387,190

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TUCSON
Revenues Other Than Property Taxes
CITY OF TUCSON

SOURCE OF REVENUES	ESTIMATED REVENUES 2020	ACTUAL REVENUES* 2020	ESTIMATED REVENUES 2021
Environmental Services Fund			
Residential Refuse Services	\$ 29,700,000	\$ 29,780,000	\$ 29,780,000
Commercial Refuse Services	7,400,000	7,200,000	7,200,000
Landfill Services Charges	8,210,000	8,330,000	8,330,000
Remediation Ground Fee	3,800,000	3,800,000	3,800,000
Self Haul Fee	1,600,000	1,700,000	1,700,000
Refuse Penalties	162,000	162,000	162,000
Recycling	750,000	800,000	800,000
Household Hazardous Waste	65,000	65,000	65,000
Miscellaneous Grants	95,000	95,000	219,000
Sale of Capital Assets	400,000	400,000	200,000
Interest Earnings	400,000	364,900	400,000
Recovered Expenses	100,000	185,000	100,000
Miscellaneous Revenues	197,500	283,200	198,100
Total Environmental Services Fund	\$ 52,879,500	\$ 53,165,100	\$ 52,954,100
Tucson Golf Course Enterprise Fund			
El Rio Golf Course	\$ 1,034,940	\$ 1,034,940	\$ 1,034,940
Randolf Golf Course	3,411,610	3,411,610	3,411,630
Fred Enke Golf Course	1,027,450	1,027,450	1,027,450
Silverbell Golf Course	1,194,520	217,750	217,750
Food and Beverage	1,393,290	2,370,060	2,370,060
Total Tucson Golf Course Enterprise Fund	\$ 8,061,810	\$ 8,061,810	\$ 8,061,830
Public Housing Fund			
Federal Grants	\$ 7,474,490	\$ 7,474,490	\$ 8,893,000
Housing Administration Charges	3,103,280	3,103,280	3,178,280
Tenant Rent and Parking Fees	3,494,980	3,494,980	3,790,000
Charges for Other Services	284,530	284,530	385,600
Interest Earnings	32,350	32,350	70,350
Total Public Housing Fund	\$ 14,389,630	\$ 14,389,630	\$ 16,317,230
Non-Public Housing Asset Management Fund			
Federal Grants	\$ 220,000	\$ 220,000	\$ 225,000
Tenant Rent	2,071,320	2,071,320	2,539,320
Charges for Other Services	40,550	40,550	54,750
Rents and Leases	159,380	159,380	200,000
Total Non-Public Housing Asset Management Fund	\$ 2,491,250	\$ 2,491,250	\$ 3,019,070
Total Enterprise Funds	\$ 325,382,970	\$ 327,013,670	\$ 335,739,420
INTERNAL SERVICE FUNDS			
Health Insurance Trust Fund			
Self Health Insurance Trust	\$ 76,176,150	\$ 76,176,150	\$ 78,426,130
Total Health Insurance Trust Fund	\$ 76,176,150	\$ 76,176,150	\$ 78,426,130
Self Insurance Internal Service Fund			
Interdepartmental Charges	\$ 16,970,090	\$ 16,989,760	\$ 14,113,670
Total Self Insurance Internal Service Fund	\$ 16,970,090	\$ 16,989,760	\$ 14,113,670
Total Internal Service Funds	\$ 93,146,240	\$ 93,165,910	\$ 92,539,800
FIDUCIARY FUNDS			
Tucson Supplemental Retirement System			
Employer Contributions	\$ 38,000,430	\$ 38,000,430	\$ 40,696,240
Employee Contributions	7,573,260	7,573,260	6,984,440
Portfolio Earnings	55,825,000	55,825,000	60,713,880
Miscellaneous Revenues	135,000	135,000	135,000
Total Tucson Supplemental Retirement System	\$ 101,533,690	\$ 101,533,690	\$ 108,529,560
Total Fiduciary Funds	\$ 101,533,690	\$ 101,533,690	\$ 108,529,560
TOTAL ALL FUNDS	\$ 1,450,737,840	\$ 1,389,831,930	\$ 1,460,462,030

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

CITY OF TUCSON
Other Financing Sources/(Uses) and Interfund Transfers
Fiscal Year 2021

FUND	OTHER FINANCING		INTERFUND TRANSFERS	
	2021		2021	
	SOURCES	(USES)	IN	(OUT)
GENERAL FUND				
Transfer to Mass Transit Fund	\$	\$	\$	\$ (37,718,100)
Transfer to Mass Transit - Sun Link Fund				(3,109,170)
Transfer to Tucson Convention Center				(3,212,790)
Transfer to Development Fee Fund				(286,070)
Total General Fund	\$	\$	\$	\$ (44,326,130)
SPECIAL REVENUE FUNDS				
Transfer from General Fund	\$	\$	\$ 44,040,060	\$
Transfer to Street and Highway Bond and Interest Fund				(2,632,960)
Transfer to Development Fee Fund				(624,410)
Total Special Revenue Funds	\$	\$	\$ 44,040,060	\$ (3,257,370)
DEBT SERVICE FUNDS				
Transfer from Highway User Revenue Fund	\$	\$	\$ 2,632,960	\$
Total Debt Service Funds	\$	\$	\$ 2,632,960	\$
CAPITAL PROJECTS FUNDS				
Transfer from General Fund	\$	\$	\$ 286,070	\$
Transfer from Highway User Revenue Fund			624,410	
General Obligation Bond Proceeds - Prop 407	35,000,000			
Total Capital Projects Funds	\$ 35,000,000	\$	\$ 910,480	\$
ENTERPRISE FUNDS				
Water Revenue Obligation Bond Proceeds	34,000,000			
Total Enterprise Funds	\$ 34,000,000	\$	\$	\$ 0
TOTAL ALL FUNDS	\$ 69,000,000	\$	\$ 47,583,500	\$ (47,583,500)

CITY OF TUCSON
Expenditures/Expenses by Fund
Fiscal Year 2021

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
GENERAL FUND				
Mayor and Council	\$ 3,639,590	\$	\$ 3,191,810	\$ 3,702,890
Business Services	12,573,300		12,378,990	13,285,140
City Attorney	8,103,880		7,766,830	8,143,530
City Clerk	2,766,160		4,225,490	2,911,690
City Court	11,399,930		9,863,700	10,202,340
City Manager	5,223,200		5,285,960	5,504,240
Environmental Services	2,266,730		2,501,080	2,848,940
General Services	51,255,170		49,056,760	52,283,380
Housing and Community Development	2,705,850		2,705,850	2,540,670
Human Resources	4,694,920		4,510,050	4,627,410
Information Technology	24,167,170		23,513,770	25,310,990
Parks and Recreation	27,469,550		26,697,250	27,697,700
Planning and Development Services	7,782,520		8,840,770	7,976,180
Public Defender	3,155,730		3,080,970	3,150,380
Public Safety Communications	13,947,520		13,940,810	14,130,400
Transportation and Mobility	656,240		520,370	1,812,200
Tucson Fire	101,136,290		101,285,430	103,086,200
Tucson Police	164,080,030		164,080,030	165,324,120
General Government	76,905,740		73,613,450	56,782,070
Contingency	2,600,000		1,937,000	2,600,000
Pension Refunds and Interest Payments	0	803,970	803,970	0
Total General Fund	\$ 526,529,520	\$ 803,970	\$ 519,800,340	\$ 513,920,470
SPECIAL REVENUE FUNDS				
Mass Transit Fund				
Transportation and Mobility	\$ 94,111,700	\$	\$ 92,083,600	\$ 108,472,060
Total Fund	\$ 94,111,700		\$ 92,083,600	\$ 108,472,060
Mass Transit Fund - Sun Link				
General Government	\$ 1,512,010	\$	\$ 1,512,010	\$ 1,499,810
Transportation and Mobility	4,585,820		4,538,380	4,585,820
Total Fund	\$ 6,097,830		\$ 6,050,390	\$ 6,085,630
Zoo Fund				
Parks and Recreation	\$ 9,221,000	\$	\$ 13,126,830	\$ 17,333,840
Total Fund	\$ 9,221,000		\$ 13,126,830	\$ 17,333,840
Better Streets Improvement Fund				
Transportation and Mobility	\$ 28,907,700	\$	\$ 28,907,700	\$ 38,981,500
Total Fund	\$ 28,907,700		\$ 28,907,700	\$ 38,981,500
Safer City Improvement Fund				
Tucson Fire	\$ 12,585,400	\$	\$ 10,118,200	\$ 16,252,600
Tucson Police	12,344,400		7,761,120	16,096,200
Total Fund	\$ 24,929,800		\$ 17,879,320	\$ 32,348,800
Tucson Convention Center Fund				
Tucson Convention Center	\$ 11,155,920	\$	\$ 11,155,920	\$ 11,806,390
General Government	15,410		15,410	0
Total Fund	\$ 11,171,330		\$ 11,171,330	\$ 11,806,390

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Fund
Fiscal Year 2021

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2020	2020	2020	2021
Highway User Revenue Fund				
Transportation and Mobility	\$ 48,370,250	\$	\$ 48,534,220	\$ 41,097,880
Business Services	1,273,340		1,287,060	1,329,200
General Government	1,544,040		1,544,040	1,488,660
Human Resources	351,880		278,020	387,250
Total Fund	\$ 51,539,510	\$	\$ 51,643,340	\$ 44,302,990
Park Tucson Fund				
General Government	\$ 116,920	\$	\$ 116,920	\$ 1,664,470
Park Tucson	6,594,240		6,555,090	4,722,360
Total Fund	\$ 6,711,160	\$	\$ 6,672,010	\$ 6,386,830
Civic Contribution Fund				
Mayor and Council	\$ 46,300	\$	\$ 46,300	\$ 35,260
Parks and Recreation	1,388,800		1,388,800	855,860
Tucson Fire	48,470		1,750	48,470
Tucson Police	7,830		7,830	15,000
Total Fund	\$ 1,491,400	\$	\$ 1,444,680	\$ 954,590
Community Development Block Grant Fund				
Business Services	\$ 0	\$	\$ 297,110	\$ 241,840
Housing and Community Development	13,923,550		13,923,550	13,643,330
General Government	15,280		15,280	15,280
Total Fund	\$ 13,938,830	\$	\$ 14,235,940	\$ 13,900,450
Miscellaneous Housing Grant Fund				
Business Services	\$ 0	\$	\$ 0	\$ 52,470
Housing and Community Development	4,777,260		4,801,630	18,052,480
Total Fund	\$ 4,777,260	\$	\$ 4,801,630	\$ 18,104,950
Public Housing Section 8 Fund				
Housing and Community Development	\$ 41,903,000	\$	\$ 41,903,000	\$ 42,755,810
Total Fund	\$ 41,903,000	\$	\$ 41,903,000	\$ 42,755,810
HOME Investment Partnerships Program Fund				
Housing and Community Development	\$ 8,706,720	\$	\$ 8,735,850	\$ 9,240,730
Total Fund	\$ 8,706,720	\$	\$ 8,735,850	\$ 9,240,730
Other Federal Grants Fund				
City Attorney	\$ 89,740	\$	\$ 94,280	\$ 96,830
City Court	1,316,020		584,170	1,186,120
Parks and Recreation	464,450		464,450	468,910
Planning and Development Services	31,920		31,920	32,000
Transportation and Mobility	6,530,960		1,873,520	2,831,840
Tucson Fire	1,088,180		700,730	1,126,130
Tucson Police	14,865,900		14,865,900	13,947,110
Total Fund	\$ 24,387,170	\$	\$ 18,614,970	\$ 19,688,940
Disaster Relief Fund				
Disaster Relief Fund	\$ 0	\$	\$ 0	\$ 95,000,000
Total Fund	\$ 0	\$	\$ 0	\$ 95,000,000

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Fund
Fiscal Year 2021

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
FUND/DEPARTMENT	2020	2020	2020	2021
Non-Federal Grants Fund				
City Attorney	\$ 158,860	\$	\$ 164,040	\$ 169,230
Housing and Community Development	262,930		262,930	325,000
Parks and Recreation	95,700		95,700	95,700
Transportation and Mobility	0		0	86,500
Tucson Fire	5,530		0	5,530
Tucson Police	1,976,270		1,976,270	2,184,290
Total Fund	\$ 2,499,290	\$	\$ 2,498,940	\$ 2,866,250
Total Special Revenue Funds	\$ 330,393,700	\$	\$ 319,769,530	\$ 373,229,760
DEBT SERVICE FUNDS				
General Obligation Bond and Interest Fund				
General Government	\$ 33,737,180	\$	\$ 33,737,180	\$ 32,034,730
Total Fund	\$ 33,737,180	\$	\$ 33,737,180	\$ 32,034,730
Street and Highway Bond and Interest Fund				
General Government	\$ 12,143,750	\$	\$ 12,143,750	\$ 11,797,250
Total Fund	\$ 12,143,750	\$	\$ 12,143,750	\$ 11,797,250
Special Assessment Bond and Interest Fund				
General Government	\$ 750	\$	\$ 750	\$ 0
Total Fund	\$ 750	\$	\$ 750	\$ 0
Total Debt Service Funds	\$ 45,881,680	\$	\$ 45,881,680	\$ 43,831,980
CAPITAL PROJECTS FUNDS				
General Obligation Bond Fund - Prop 409, Street Improvements				
Transportation and Mobility	\$ 0	\$	\$ 0	\$ 1,041,170
Total Fund	\$ 0	\$	\$ 0	\$ 1,041,170
Capital Improvement Fund				
Transportation and Mobility	\$ 25,169,300	\$	\$ 20,660,000	\$ 71,208,000
Total Fund	\$ 25,169,300	\$	\$ 20,660,000	\$ 71,208,000
Development Fee Fund				
General Government	\$ 1,142,000	\$	\$ 1,142,000	\$ 0
Parks and Recreation	4,404,100		4,404,100	2,125,000
Transportation and Mobility	9,942,570		7,812,300	12,041,700
Total Fund	\$ 15,488,670	\$	\$ 13,358,400	\$ 14,166,700
General Obligation Bond Fund - Prop 407, Parks and Connections				
Parks and Recreation	\$ 10,082,800	\$	\$ 9,660,100	\$ 19,867,500
Transportation and Mobility	1,661,000		2,863,800	11,671,900
Total Fund	\$ 11,743,800	\$	\$ 12,523,900	\$ 31,539,400
Regional Transportation Authority Fund				
Transportation and Mobility	\$ 46,123,000	\$	\$ 16,993,200	\$ 19,053,100
Total Fund	\$ 46,123,000	\$	\$ 16,993,200	\$ 19,053,100
Total Capital Projects Funds	\$ 98,524,770	\$	\$ 63,535,500	\$ 137,008,370

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Fund
Fiscal Year 2021

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
ENTERPRISE FUNDS				
Tucson Water Utility Fund				
Tucson Water Utility	\$ 273,900,960	\$	\$ 256,561,900	\$ 298,245,590
Business Services	730,250		758,220	804,790
Human Resources	401,050		506,460	405,950
Total Fund	\$ 275,032,260	\$	\$ 257,826,580	\$ 299,456,330
Environmental Services Fund				
Business Services	\$ 569,940	\$	\$ 501,560	\$ 564,620
Environmental Services	65,450,410		57,934,740	60,091,400
Human Resources	172,720		193,690	195,900
Total Fund	\$ 66,193,070	\$	\$ 58,629,990	\$ 60,851,920
Tucson Golf Enterprise Fund				
Tucson City Golf	\$ 7,660,870	\$	\$ 7,660,870	\$ 7,725,940
Total Fund	\$ 7,660,870	\$	\$ 7,660,870	\$ 7,725,940
Public Housing AMP Fund				
Business Services	\$ 0	\$	\$ 518,480	\$ 562,640
General Government	68,590		68,590	68,590
Housing and Community Development	14,321,040		14,321,040	15,686,000
Total Fund	\$ 14,389,630	\$	\$ 14,908,110	\$ 16,317,230
Non-Public Housing Asset Management Fund				
Housing and Community Development	\$ 2,491,250	\$	\$ 2,491,250	\$ 3,019,070
Total Fund	\$ 2,491,250	\$	\$ 2,491,250	\$ 3,019,070
Total Enterprise Funds	\$ 365,767,080	\$	\$ 341,516,800	\$ 387,370,490
INTERNAL SERVICE FUNDS				
Health Insurance Fund				
Self Health Insurance	\$ 72,764,940	\$	\$ 73,459,060	\$ 77,350,130
Total Fund	\$ 72,764,940	\$	\$ 73,459,060	\$ 77,350,130
Self Insurance Internal Service Fund				
Business Services	\$ 11,318,880	\$	\$ 11,104,110	\$ 11,595,910
Human Resources	11,413,220		9,990,600	7,398,170
Transportation and Mobility	1,420,000		1,420,000	1,420,000
Tucson Fire	301,540		239,410	404,090
Total Fund	\$ 24,453,640	\$	\$ 22,754,120	\$ 20,818,170
Total Internal Service Funds	\$ 97,218,580	\$	\$ 96,213,180	\$ 98,168,300

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CITY OF TUCSON
Expenditures/Expenses by Fund
Fiscal Year 2021

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2020	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2020	ACTUAL EXPENDITURES/ EXPENSES* 2020	BUDGETED EXPENDITURES/ EXPENSES 2021
FIDUCIARY FUNDS				
Tucson Supplemental Retirement System	\$ 92,087,100	\$	\$ 92,327,110	\$ 94,623,810
Total Fund	\$ 92,087,100	\$	\$ 92,327,110	\$ 94,623,810
Total Fiduciary Funds	\$ 92,087,100	\$	\$ 92,327,110	\$ 94,623,810
TOTAL ALL FUNDS	\$ 1,556,402,430	\$ 803,970	\$ 1,479,044,140	\$ 1,743,153,180

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Department
Fiscal Year 2021

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2020	2020	2020	2021
Mayor and Council				
General Fund	\$ 3,639,590	\$	\$ 3,191,810	\$ 3,702,890
Civic Contribution Fund	46,300		46,300	35,260
Department Total	<u>\$ 3,685,890</u>	<u>\$</u>	<u>\$ 3,238,110</u>	<u>\$ 3,738,150</u>
City Attorney				
General Fund	\$ 8,103,880	\$	\$ 7,766,830	\$ 8,143,530
Non-Federal Grants Fund	158,860		164,040	169,230
Other Federal Grants Fund	89,740		94,280	96,830
Department Total	<u>\$ 8,352,480</u>	<u>\$</u>	<u>\$ 8,025,150</u>	<u>\$ 8,409,590</u>
City Clerk				
General Fund	\$ 2,766,160	\$	\$ 4,225,490	\$ 2,911,690
Department Total	<u>\$ 2,766,160</u>	<u>\$</u>	<u>\$ 4,225,490</u>	<u>\$ 2,911,690</u>
City Court				
General Fund	\$ 11,399,930	\$	\$ 9,863,700	\$ 10,202,340
Other Federal Grants Fund	1,316,020		584,170	1,186,120
Department Total	<u>\$ 12,715,950</u>	<u>\$</u>	<u>\$ 10,447,870</u>	<u>\$ 11,388,460</u>
City Manager				
General Fund	\$ 5,223,200	\$	\$ 5,285,960	\$ 5,504,240
Department Total	<u>\$ 5,223,200</u>	<u>\$</u>	<u>\$ 5,285,960</u>	<u>\$ 5,504,240</u>
Business Services				
General Fund	\$ 12,573,300	\$	\$ 12,378,990	\$ 13,285,140
Environmental Services Fund	569,940		501,560	564,620
Highway User Revenue Fund	1,273,340		1,287,060	1,329,200
Self Insurance Internal Service Fund	11,318,880		11,104,110	11,595,910
Community Development Block Grant	0		297,110	241,840
Public Housing AMP Fund	0		518,480	562,640
HOME Investment Partnerships Program Fund	0		29,130	29,720
Miscellaneous Housing Grants	0		24,370	52,470
Tucson Water Utility Fund	730,250		758,220	804,790
Department Total	<u>\$ 26,465,710</u>	<u>\$</u>	<u>\$ 26,899,030</u>	<u>\$ 28,466,330</u>
Debt Service				
General Fund	\$ 25,187,050	\$	\$ 25,187,050	\$ 24,771,150
Community Development Block Grant	15,280		15,280	15,280
General Obligation Fund	33,737,180		33,737,180	32,034,730
Special Assessments Fund	750		750	0
Streets and Highway Debt Service Fund	12,143,750		12,143,750	11,797,250
Highway User Revenue Fund	1,443,460		1,443,460	1,388,080
Mass Transit - Sunlink Fund	1,512,010		1,512,010	1,499,810
Park Tucson	116,920		116,920	1,664,470
Public Housing AMP Fund	68,590		68,590	68,590
Department Total	<u>\$ 74,224,990</u>	<u>\$</u>	<u>\$ 74,224,990</u>	<u>\$ 73,239,360</u>
Environmental Services				
General Fund	\$ 2,266,730	\$	\$ 2,501,080	\$ 2,848,940
Environmental Services Fund	65,450,410		57,934,740	60,091,400
Department Total	<u>\$ 67,717,140</u>	<u>\$</u>	<u>\$ 60,435,820</u>	<u>\$ 62,940,340</u>

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Department
Fiscal Year 2021

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2020	2020	2020	2021
General Services				
General Fund	\$ 51,255,170	\$	\$ 49,056,760	\$ 52,283,380
Department Total	\$ 51,255,170	\$	\$ 49,056,760	\$ 52,283,380
Housing and Community Development				
General Fund	\$ 2,705,850	\$	\$ 2,705,850	\$ 2,540,670
Community Development Block Grant	13,923,550		13,923,550	13,643,330
HOME Investment Partnerships Program Fund	8,706,720		8,706,720	9,211,010
Miscellaneous Housing Grants	4,777,260		4,777,260	18,052,480
Non-Federal Grants Fund	262,930		262,930	325,000
Non-Public Housing Assistance	2,491,250		2,491,250	3,019,070
Asset Management				
Public Housing AMP Fund	14,321,040		14,321,040	15,686,000
Public Housing Section 8 Fund	41,903,000		41,903,000	42,755,810
Department Total	\$ 89,091,600	\$	\$ 89,091,600	\$ 105,233,370
Human Resources				
General Fund	\$ 4,694,920		\$ 4,510,050	\$ 4,627,410
Environmental Services Fund	172,720		193,690	195,900
Highway User Revenue Fund	351,880		278,020	387,250
Self Insurance Internal Service Fund	11,413,220		9,990,600	7,398,170
Tucson Water Utility Fund	401,050		506,460	405,950
Department Total	17,033,790		15,478,820	13,014,680
Information Technology				
General Fund	\$ 24,167,170	\$	\$ 23,513,770	\$ 25,310,990
Department Total	\$ 24,167,170	\$	\$ 23,513,770	\$ 25,310,990
Outside Agencies				
General Fund	\$ 12,383,600	\$	\$ 11,870,360	\$ 11,144,690
Highway User Revenue Fund	100,580		100,580	100,580
Department Total	\$ 12,484,180	\$	\$ 11,970,940	\$ 11,245,270
Park Tucson				
Park Tucson Fund	\$ 6,594,240	\$	\$ 6,555,090	\$ 4,722,360
Department Total	\$ 6,594,240	\$	\$ 6,555,090	\$ 4,722,360
Parks and Recreation				
General Fund	\$ 27,469,550	\$	\$ 26,697,250	\$ 27,697,700
General Obligations Bond Fund - Prop 407, Parks, Series 2020	10,082,800		9,660,100	4,869,500
General Obligations Bond Fund - Prop 407, Parks, Series 2021	0		0	14,998,000
Civic Contribution Fund	1,388,800		1,388,800	855,860
Development Fee Fund	4,404,100		4,404,100	2,125,000
Non-Federal Grant Fund	95,700		95,700	95,700
Zoo Fund	9,221,000		13,126,830	17,333,840
Other Federal Grants Fund	464,450		464,450	468,910
Department Total	\$ 53,126,400	\$	\$ 55,837,230	\$ 68,444,510

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Department
Fiscal Year 2021

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2020	2020	2020	2021
Planning and Development Services				
General Fund	\$ 7,782,520	\$	\$ 8,840,770	\$ 7,976,180
Other Federal Grants Fund	31,920		31,920	32,000
Department Total	\$ 7,814,440	\$	\$ 8,872,690	\$ 8,008,180
Public Defender				
General Fund	\$ 3,155,730	\$	\$ 3,080,970	\$ 3,150,380
Department Total	\$ 3,155,730	\$	\$ 3,080,970	\$ 3,150,380
Public Safety Communications				
General Fund	\$ 13,947,520	\$	\$ 13,940,810	\$ 14,130,400
Department Total	\$ 13,947,520	\$	\$ 13,940,810	\$ 14,130,400
Transportation and Mobility				
General Fund	\$ 656,240	\$	\$ 520,370	\$ 1,812,200
General Obligation Fund	0		0	0
Highway User Revenue Fund	48,370,250		48,534,220	41,097,880
Better Streets Improvement Fund	28,907,700		28,907,700	38,981,500
General Obligation Bond Fund - Prop 409, Street Improvements	0		0	1,041,170
Capital Improvements Fund	25,169,300		20,660,000	71,208,000
Development Fee Fund	9,942,570		7,812,300	12,041,700
Other Federal Grants Fund	6,530,960		1,873,520	2,831,840
Mass Transit Fund	98,697,520		96,621,980	113,057,880
General Obligations Bond Fund - Prop 407, Connections, Series 2020	1,661,000		2,863,800	1,723,600
General Obligations Bond Fund - Prop 407, Connections, Series 2021	0		0	9,948,300
Non-Federal Grants Fund	0		0	86,500
Regional Transportation Authority	46,123,000		16,993,200	19,053,100
Self Insurance Internal Service Fund	1,420,000		1,420,000	1,420,000
Transportation and Mobility	\$ 267,478,540	\$	\$ 226,207,090	\$ 314,303,670
Tucson City Golf				
Golf Course Fund	\$ 7,660,870	\$	\$ 7,660,870	\$ 7,725,940
Department Total	\$ 7,660,870	\$	\$ 7,660,870	\$ 7,725,940
Tucson Convention Center				
Convention Center Fund	\$ 11,155,920	\$	\$ 11,155,920	\$ 11,806,390
Department Total	\$ 11,155,920	\$	\$ 11,155,920	\$ 11,806,390
Tucson Fire				
General Fund	\$ 101,136,290	\$ 258,600	\$ 101,544,030	\$ 103,086,200
Civic Contribution Fund	48,470		1,750	48,470
Non-Federal Grants Fund	5,530		0	5,530
Other Federal Grants Fund	1,088,180		700,730	1,126,130
Safer City Improvement Fund	12,585,400		10,118,200	16,252,600
Self Insurance Internal Service Fund	301,540		239,410	404,090
Department Total	\$ 115,165,410	\$ 258,600	\$ 112,604,120	\$ 120,923,020

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Expenditures/Expenses by Department
Fiscal Year 2021

	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
DEPARTMENT/FUND	2020	2020	2020	2021
Tucson Police				
General Fund	\$ 164,080,030	\$ 545,370	\$ 164,625,400	\$ 165,324,120
Civic Contribution Fund	7,830		7,830	15,000
Non-Federal Grants Fund	1,976,270		1,976,270	2,184,290
Other Federal Grants	14,865,900		14,865,900	13,947,110
Safer City Improvement Fund	12,344,400		7,761,120	16,096,200
Department Total	\$ 193,274,430	\$ 545,370	\$ 189,236,520	\$ 197,566,720
Tucson Water				
Tucson Water Utility Fund	\$ 273,900,960		\$ 256,561,900	\$ 298,245,590
Department Total	\$ 273,900,960		\$ 256,561,900	\$ 298,245,590
General Government				
General Fund	\$ 41,935,090		\$ 38,493,040	\$ 23,466,230
Disaster Relief Fund	0		0	95,000,000
Development Fee Fund	1,142,000		1,142,000	0
Convention Center Fund	15,410		15,410	0
Department Total	\$ 43,092,500		\$ 39,650,450	\$ 118,466,230
Pension Services				
Tucson Supplemental Retirement System	\$ 92,087,100		\$ 92,327,110	\$ 94,623,810
Department Total	\$ 92,087,100		\$ 92,327,110	\$ 94,623,810
Self Health Insurance				
Health Insurance Fund	\$ 72,764,940		\$ 73,459,060	\$ 77,350,130
Department Total	\$ 72,764,940		\$ 73,459,060	\$ 77,350,130
TOTAL ALL DEPARTMENTS	\$ 1,556,402,430	\$ 803,970	\$ 1,479,044,140	\$ 1,743,153,180

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.

CITY OF TUCSON
Full-Time Employees and Personnel Compensation
Fiscal Year 2021

FUND	Full-Time Equivalent (FTE) 2021	Employee Salaries, and Hourly Costs 2021	Retirement Costs 2021	Healthcare Costs 2021	Other Benefit Costs 2021	Total Estimated Personnel Compensation 2021
GENERAL FUND	3,295.22	\$ 203,935,330	\$ 98,195,260	\$ 39,170,760	\$ 24,557,310	\$ 365,858,660
SPECIAL REVENUE FUNDS						
Community Block Grants Fund	12.80	\$ 807,720	\$ 221,850	\$ 135,130	\$ 111,280	\$ 1,275,980
Convention Center Fund	-	33,790	9,290	6,300	29,590	78,970
Highway User Revenue Fund	285.00	14,117,220	3,731,830	3,301,970	2,320,190	23,471,210
HOME Investment Partnerships Program Fund	3.80	224,400	61,620	47,570	31,350	364,940
Mass Transit Fund	4.00	300,980	82,770	53,940	49,770	487,460
Miscellaneous Housing Grants Fund	10.25	549,700	132,860	106,900	77,860	867,320
Non-Federal Grants Fund	5.64	1,516,120	133,390	67,120	105,480	1,822,110
Other Federal Grants Fund	26.84	3,354,330	540,150	239,320	319,650	4,453,450
Park Tucson Fund	21.00	865,460	225,990	177,060	144,620	1,413,130
Public Housing Section 8 Fund	42.65	1,820,200	495,930	389,360	263,590	2,969,080
Total Special Revenue Funds	411.98	\$ 23,589,920	\$ 5,635,680	\$ 4,524,670	\$ 3,453,380	\$ 37,203,650
ENTERPRISE FUNDS						
Environmental Service Fund	214.00	\$ 11,395,880	\$ 2,772,650	\$ 2,769,870	\$ 1,740,670	\$ 18,679,070
Tucson Water Utility Fund	575.50	30,988,770	7,903,470	6,825,520	4,337,630	50,055,390
Public Housing AMP Fund	61.22	3,244,210	859,500	657,980	455,970	5,217,660
Non-Public Housing Asset Management Fund	10.08	514,210	132,690	109,070	73,670	829,640
Tucson City Golf Fund	-	32,840	9,040	5,540	29,480	76,900
Total Enterprise Funds	860.80	\$ 46,175,910	\$ 11,677,350	\$ 10,367,980	\$ 6,637,420	\$ 74,858,660
INTERNAL SERVICE FUND						
Health Insurance Trust Fund	4.50	\$ 315,440	\$ 86,730	\$ 51,620	\$ 34,650	\$ 488,440
Self Insurance Fund	22.00	1,351,770	429,760	280,460	1,844,380	3,906,370
Total Internal Service Fund	26.50	\$ 1,667,210	\$ 516,490	\$ 332,080	\$ 1,879,030	\$ 4,394,810
FIDUCIARY						
Tucson Supplemental Retirement System	4.50	\$ 285,920	\$ 78,630	\$ 36,750	\$ 32,300	\$ 433,600
Total Fiduciary Funds	4.50	\$ 285,920	\$ 78,630	\$ 36,750	\$ 32,300	\$ 433,600
TOTAL ALL FUNDS	4,599.00	\$ 275,654,290	\$ 116,103,410	\$ 54,432,240	\$ 36,559,440	\$ 482,749,380